



**FOREIGN  
BROADCAST  
INFORMATION  
SERVICE**

# ***Daily Report***

## **East Asia**

**FBIS-EAS-94-034  
Friday  
18 February 1994**



# Daily Report

## East Asia

FBIS-EAS-94-034

### CONTENTS

18 February 1994

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

#### NORTHEAST ASIA

##### Japan

Fujii Discusses Plans for Appeal to G-7 Meeting [KYODO]	1
Kumagai Responds to Clinton's 17 Feb Remarks [KYODO]	1
Clinton Criticism of Officials 'Not Appropriate' [Tokyo TV]	1
Tokyo 'May Send' Emissary to U.S. Over Trade [KYODO]	2
Official on Cellular Phone Dispute With U.S. [KYODO]	2
Hosokawa on Efforts To Rectify Trade Imbalance [KYODO]	3
'No Plans To Frontload' Investment Programs [KYODO]	3
Kubota Urges Measures To Reduce Trade Surplus [KYODO]	3
Mieno: Currency Movements 'Have Gone Too Far' [KYODO]	4
EPA's Tanaka: 110 Yen to Dollar 'Desirable' [KYODO]	4
Head Life Insurer Expresses Concern Over Yen [KYODO]	4
Yen's Rise Said Not Reflected in Import Prices [KYODO]	5
Toyota To Boost Technological Help for Chinese [KYODO]	5
Burma's Suu Kyi-SLORC Meeting Urged [KYODO]	5
Tokyo To Give Emergency Aid to Indonesia [KYODO]	6
Fujii Terms Donation 'Gratuity' for Services [KYODO]	6
Hosokawa, Takemura Said Not 'at Loggerheads' [KYODO]	6
Hosokawa-Takemura 'Icy' Relationship Analyzed [KYODO]	7
Cabinet Approves FY '94 Tax Revision Outline [KYODO]	8
BOJ Sees No Recovery Despite Brighter Spots [KYODO]	8
Government To Keep Same Welfare Savings Rates [KYODO]	9
Reactor Shuts Down After Radioactivity Warning [KYODO]	9
Food Makers Use Imported Rice [KYODO]	9
Group Accused of Dubious Rice Sales Accounting [KYODO]	9
Beef Imports Reportedly Top Annual Record [KYODO]	10

##### North Korea

Memorandum Issued on ROK Nuclear Development [KCNA]	10
Pyongyang Radio Carries Memorandum	13
Radio VNS Reports Kim Chong-il Slogans in South [KCNA]	16
Students Society Adopts Letter to Kim Chong-il [KCNA]	16
KCNA Reports Anti-U.S. Rallies in South Korea	16
Commentary Supports Students' Rallies [Pyongyang Radio]	17
Kim Il-song Receives Canadian Party Delegation [KCNA]	18
Vice President Departs on Latin America Trip [KCNA]	18
WPK Hosts Reception for Visiting Thai Delegation [KCNA]	18
Japanese Delegation Publishes 'Travel Notes' [KCNA]	18
Foreign Leaders Greet Kim Chong-il on Birthday [KCNA]	18
Mass Gymnastic Display Held [KCNA]	19
Collection of Kim Il-song's Works Published [KCNA]	19
Anniversary of Chuche Idea Proclamation Marked [KCNA]	20

##### South Korea

DPRK 'Likely' To Link Inspections With U.S. Talks [Seoul Radio]	20
U.S., ROK Reportedly Agree on Talks Strategy [YONHAP]	21
Papers on DPRK Acceptance of Inspection [CHOSON ILBO 17 Feb, etc.]	21



Further on Rumors of Kim Chong-il Injury [YONHAP] .....	24
DPRK Radio Cited on Kim Chong-il's Duties [CHOSON ILBO 18 Feb] .....	25
DPRK Envoy at ASEAN-Related Meeting in Bangkok [YONHAP] .....	25
Han: Patriot Deployment 'Yet To Be Decided' [YONHAP] .....	25
Foreign Minister's U.S., Canadian Trip Assessed [YONHAP] .....	26
Newspaper Details 17 Feb Anti-U.S. Demonstrations [HANGUK ILBO 18 Feb] .....	26
Further on 17 Feb Demonstrations [SEOUL SINMUN 18 Feb] .....	27
Kim Yong-sam To Visit Japan, China Late March [YONHAP] .....	27
Goals of Trip Discussed [YONHAP] .....	27
President Visits Taegu, North Kyongsang Province [YONHAP] .....	28
Taiwan Imposes Tariffs on ROK Petroleum Goods [YONHAP] .....	28
DP Leader Plans To Vote Against GATT Agreement [YONHAP] .....	29

## SOUTHEAST ASIA

### Burma

NCGUB Welcomes Richardson-Suu Kyi Meeting [Radio DVOB] .....	30
--	----

### Brunei, Malaysia & Singapore

#### Malaysia

Mahathir Discusses Bosnia, Free Trade Issues [BERNAMA] .....	30
--	----

#### Singapore

U.S. Sanctions Threat Against Japan Criticized [BUSINESS TIMES 17 Feb] .....	30
--	----

### Cambodia

Vietnamese Foreign Minister Concludes Visit [Phnom Penh Radio] .....	31
Memorandum on Border, Settlers [AKP] .....	31
Government To Remove Taxes on New Companies [Phnom Penh Radio] .....	31
Radio Quotes Sihanouk's Message About Return [Radio VGNUFC] .....	32
Government Reports Capture of Khmer Rouge Base [AFP] .....	32
Trains Hit Mines; Khmer Rouge Said Responsible [Phnom Penh Radio] .....	33

### Indonesia

Suharto Meets With Singapore Foreign Minister [THE STRAITS TIMES 16 Feb] .....	33
Foreign Minister Says East Timor Issue Settled [Jakarta Radio] .....	34
Bank Scandal Involves Ex-Ministers, Suharto Son [BUSINESS TIMES 15 Feb] .....	34

### Laos

MIA Searches To Continue Despite 'Slander' [PASASON 15 Feb] .....	34
Writer Criticizes Radio Free Asia Plan [PASASON 9 Feb] .....	35
Pact on Road Construction Signed With PRC [KPL] .....	36

### Philippines

Official Hails DPRK Nuclear Inspection Move [Quezon City Radio] .....	36
NPA Threatens To Bomb Visayan Utilities [MANILA BULLETIN 15 Feb] .....	36
NEDA Approves 16.5 Billion-Peso Power Projects [MANILA BULLETIN 16 Feb] .....	36
1993 Trade Balance Deficit, Imports Noted [MALAYA 17 Feb] .....	37



**Thailand**

Leaders Continue Defense of Li Teng-hui Visit .....	37
Chuan Criticizes PRC on Reaction [THE NATION 18 Feb] .....	37
Prasong Confident on PRC Ties [BANGKOK POST 18 Feb] .....	38
Marut Bunnak Hosts Luncheon for Li [XING XIAN RIBAO 17 Feb] .....	38
PRC's Qian Said To Plan Visit [Radio VOFA] .....	38
Singapore-Prasong Talks on Burma Consensus [BANGKOK POST 18 Feb] .....	38
Chuan Reviews Trade Goals at Bank Opening [BANGKOK POST 18 Feb] .....	39
Official Reports U.S. Taxation Talks Failure [KRUNGTHEP THURAKIT 18 Feb] .....	39
More Insurance Companies To Be Allowed [Bangkok Radio] .....	40
Arms Trade Shows Government-Military Tension [THE NATION 18 Feb] .....	40
Cooperation Commission Formed With Uzbekistan [Radio VOFA] .....	41

**Vietnam**

Foreign Minister's Cambodia Visit Reported .....	41
Meets With Sirivut [VNA] .....	41
Commentary Views Cambodia Ties [Hanoi International] .....	41
VNA Reports Departure .....	42
Vice President, Delegation Depart on African Tour [VNA] .....	42
Vietnam-Cuba Amity Association Plans Activities [VNA] .....	42
Former Minister's Corruption Trial Continues [Hanoi Radio] .....	42
New 50 Percent Import Taxes for Consumer Goods [Hanoi International] .....	42
60,000 Returnees Repatriated Under EC Program [Hanoi International] .....	43



## Japan

### **Fujii Discusses Plans for Appeal to G-7 Meeting** *OW1802022094 Tokyo KYODO in English 0206 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Japan will seek support on its economic efforts and call for reaffirming an accord on stable currency rates at a Group of Seven (G-7) industrial nations' meeting in Germany February 26, Finance Minister Hirohisa Fujii said Friday [18 February].

"I will explain the direction of tax reforms" at the G-7 meeting of finance ministers and central bankers, Fujii told reporters after a morning cabinet meeting. He was referring to reported U.S. dissatisfaction over Japan's income tax cuts limited to a single year.

Fujii noted that Prime Minister Morihiro Hosokawa instructed his ministers at the cabinet meeting to pin down efforts in realizing tax reform by the end of the year, as agreed to by the ruling coalition parties. "That (agreement) spells out a balanced tax system on income and consumption," Fujii stressed, indicating a direction for full-fledged income tax cuts.

He also said he would "strongly insist" that Japan's record 15.25 trillion yen stimulus package, including 6 trillion yen in tax cuts, would contribute to lifting the economy.

On currency exchange rates, Fujii expressed his intention to call for reaffirmation of a past G-7 accord that calls for cooperation to stem speculative moves and keep rates stable under economic fundamentals. "Wild volatility is bad not only for a country but for the global economy," Fujii noted.

Fujii brushed aside speculation that U.S. monetary authorities intend to tolerate the yen's rise, saying, "I don't know about other U.S. officials but I haven't heard any such remarks by the monetary authorities."

Regarding the Japan-U.S. "Framework" trade talks, the U.S. side "seems to be misunderstanding" the insurance area, Fujii said, noting that Japan must make further explanation. Japan will continue to take deregulatory and other measures in the insurance field, and they will be specified in a detailed program to be launched at the G-7 meeting.

Chief Cabinet Secretary Masayoshi Takemura on Thursday told reporters that Hosokawa will hold a cabinet meeting to discuss Japan's measures in reducing the trade imbalance.

On possible U.S. sanctions against Japan, Fujii said although Hosokawa and Clinton failed to reach agreement on the framework talks during their February 11 meeting, they did agree to maintain "basic friendship relations."

"This must not be destroyed," he said.

### **Kumagai Responds to Clinton's 17 Feb Remarks** *OW1802034294 Tokyo KYODO in English 0334 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Japan should keep calm over the aggressive U.S. trade stance, Minister of International Trade and Industry Hiroshi Kumagai said Friday [18 February]. He made the comment in response to U.S. President Bill Clinton's statement on Thursday that the U.S. will pursue an "much more aggressive policy" to push Japanese markets open.

Clinton said he would try "different things" to achieve the goal of opening Japan's markets.

Kumagai told reporters after a regular cabinet meeting that the U.S. has often adopted such an attitude, even against old allies like Britain, when trade talks were deadlocked.

### **Clinton Criticism of Officials 'Not Appropriate'** *OW1802054794 Tokyo NHK General Television Network in Japanese 0300 GMT 18 Feb 94*

[Announcer-read report over video; from "NHK News" program]

[Excerpts] In the House of Representatives' Budget Committee meeting that opened today, 18 February, Prime Minister Morihiro Hosokawa spoke about moves in the United States to take sanctions against Japan, and said the government is hurrying to prepare Japan's measures to open up its market—including those to ensure improved transparency in procedures for government procurement and to step up deregulation. [passage omitted on a Dietman's question]

[Begin Hosokawa recording] In the areas of improving transparency in procedures on insurance and government procurement, cooperation of Japanese and U.S. industries in automobiles, deregulation—of which you too just said easygoing action will not be accepted—or promoting imports and investments in Japan, I think we must be positive in all our actions. [end recording]

Masaaki Koga of Shinseitō [Japan Renewal Party] then asked him about U.S. President Bill Clinton's criticism of Japan's economy-related government offices in reference to the failure of the Japan-U.S. economic consultations. The President cited the names of the government offices in making the criticism. In reply to the question, Prime Minister Hosokawa said the recent negotiations were not led by government officials, and the officials had to endure a lot during the negotiations. Setting numerical targets would lead to managed trade, and, hence, goes against the national interests of Japan. It is only natural that the people oppose it, whether they be politicians or bureaucrats. The prime minister thus said such criticism is not appropriate. [passage on remarks by others present at the meeting omitted]



**Tokyo 'May Send' Emissary to U.S. Over Trade**  
*OW1802115594 Tokyo KYODO in English 1139 GMT*  
*18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Prime Minister Morihiro Hosokawa suggested Friday [18 February] that Japan may send a special envoy to the United States in an effort to avert U.S. economic sanctions in the wake of last week's breakdown of bilateral trade "framework" talks. Hosokawa, speaking at a session of the House of Representatives budget committee, vowed to do his utmost to prevent relations between Japan and the U.S. from worsening.

The prime minister was replying to Michio Watanabe of the main opposition Liberal Democratic Party, who urged the prime minister to send an emissary to Washington in an effort to prevent Japan from being internationally "isolated."

Hosokawa and all his 20 cabinet ministers were present as the lower house's budget committee started deliberations on a third supplementary budget for fiscal 1993, which calls for a spending increase of 2,185.2 billion yen over the second revised budget.

This is designed to cover the largest-ever economic stimulus package of 15.25 trillion yen, and an increase in the overall general account budget for the current year ending in March to 77,437.50 billion yen.

Besides the former foreign minister, nine legislators from both ruling and opposition parties posed questions.

While pledging efforts to rectify Japan's huge trade imbalance with the U.S., the prime minister urged Washington to make "a conscientious decision and response" to Japan.

Hosokawa and President Bill Clinton met last week in Washington, but failed to strike a deal on a new framework to slash Japan's trade surplus of over 50 billion dollars.

The collapse of the talks stemmed from a disagreement over a U.S. demand to set numerical targets to measure the openness of Japanese markets. Japan rejected the demand which it said would lead to managed trade.

A few days after the collapse of the framework talks, the U.S. on Tuesday unveiled steps to impose sanctions worth hundreds of millions of dollars in a dispute over access to the Japanese cellular phone market. At the budget committee session, Hosokawa reaffirmed that Tokyo will file a complaint with the General Agreement on Tariffs and Trade (GATT) if the U.S. implements sanctions, but he also said Japan will deal with the situation "with a cool head."

Hosokawa said that Japan has to make its own efforts on both macroeconomic and microeconomic problems because it plays a large role in leading the world

economy. "Japan must tackle what it can voluntarily...such as making procedures transparent for insurance and government procurement, promoting cooperation between the two countries' auto industries, deregulating the economy, accelerating imports and investments, and securing competition," Hosokawa said.

International Trade and Industry Minister Hiroshi Kumagai told the same session that Japan will draw up a program by the end of February at the earliest to orient Japan's economic structure more towards domestic demand.

Hosokawa rejected U.S. criticism that "bureaucrats" have led the trade negotiations, saying that officials of each ministry made considerable effort to protect national interests.

He said neither politicians nor bureaucrats can accept the U.S. demand for numerical targets. "We cannot accept a demand that runs counter to economic deregulation," he stated.

Hosokawa also said Japan will act with responsibility if the United Nations Security Council imposes economic sanctions against North Korea over its suspected nuclear arms development program.

Both Hosokawa and Chief Cabinet Secretary Masayoshi Takemura said they have good relations in spite of reports that the premier wants to remove Takemura from his post.

**Official on Cellular Phone Dispute With U.S.**

*OW1802101094 Tokyo KYODO in English 1002 GMT*  
*18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—A senior telecommunications official said Friday [18 February] it is up to the private sector to resolve a dispute between Japan and the United States over U.S. access to Japan's cellular telephone market.

Yoshio Utsumi, director general of the Posts and Telecommunications Ministry's International Affairs Department, made the comment while briefing foreign reporters on Japan's position on the matter.

An official at the department confirmed the content of Utsumi's remarks at the briefing but said they were not as strong as had been reported.

AP-DOW JONES NEWS SERVICE reported that Utsumi warned that Motorola Inc.'s business in Japan could suffer if the company and the U.S. Government picked an "unnecessary" fight about the need for immediate results.

The ministry official said the tone of the U.S. wire service's report was too strong. "He (Utsumi) did not make such a warning. That story seems a little strong," the official said.



The U.S. Government said earlier this week it plans to impose sanctions against Japan for violating a 1989 bilateral cellular telephone agreement.

The agreement paved the way for Motorola to offer cellular telephones in the densely populated corridor between Tokyo and Nagoya on the basis of its own system.

Japanese officials say Tokyo has fulfilled its responsibilities to abide by the agreement, but the U.S. side complains that implementation of the agreement has effectively discriminated against Motorola.

**Hosokawa on Efforts To Rectify Trade Imbalance**  
*OW1802055294 Tokyo KYODO in English 0531 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Prime Minister Morihiro Hosokawa said Friday [18 February] that Japan will do whatever it can to rectify its huge trade imbalance with the United States.

It is natural that both Japan and the U.S. should make efforts but Japan has to make its own efforts on both macroeconomic and microeconomic problems in view of the fact that this country plays a large role in leading the world economy, Hosokawa said during a session of the House of Representatives' budget committee.

The powerful lower house started deliberation on a third supplementary budget for fiscal 1993 which calls for a spending increase of 2,185.2 billion yen over the second revised budget, to cover the largest-ever economic stimulus package of 15.25 trillion yen, and an increase of the overall general account budget for the current year ending in March to 77,437.50 billion yen.

Commenting on last week's breakdown in the Japan-U.S. "Framework trade" talks in Washington, Hosokawa said that it was regrettable the two countries could not reach an accord, but that both sides agreed not to let the issue disrupt friendly relations between Japan and the U.S.

Hosokawa and U.S. President Bill Clinton failed to agree on trade negotiations aimed at reducing Japan's bloated trade surplus and opening its markets to U.S. firms.

"Japan must tackle what it can voluntarily...such as making procedures transparent for insurance and government procurement, promoting cooperation between the two countries' auto industries, deregulating the economy, accelerating imports and investments, and securing competition," Hosokawa said.

He made the remarks in response to questions by Shigeru Goto, a lower house legislator of the Social Democratic Party (SDP), the leading bloc of the seven-party ruling coalition.

The prime minister expressed his hope that the U.S. would act with sensible judgment, referring to recent

U.S. moves toward retaliatory measures against Japan following the failure of the framework talks.

On U.S. criticism that "bureaucrats" have led the negotiations on Japan's side, Hosokawa denied the charge, saying that though the officials of each ministry made considerable effort to protect national interests, neither the politicians nor the bureaucrats can accept the U.S. "stance against economic deregulation."

**'No Plans To Frontload' Investment Programs**  
*OW1802035194 Tokyo KYODO in English 0342 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—The government has no plans to frontload its 10-year, 430 trillion yen public investment project as a means of reducing the country's trade surplus, a government source said Friday [18 February].

"There is no such possibility," the source said.

He also said the government will not move to set any specific targets to help reduce the surplus.

"We will make efforts through easing of regulations," he said, emphasizing that the government's policies will be focused on deregulation and increased imports as announced Thursday.

**Kubota Urges Measures To Reduce Trade Surplus**  
*OW1802015294 Tokyo KYODO in English 0135 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Japan's top economic planner on Friday [18 February] urged the government to quickly formulate measures to reduce its huge trade surplus.

It is "very important" for economic-related ministries to craft measures that would lead to a "visible" reduction in black ink within half a year, Economic Planning Agency director general Manae Kubota told a news conference.

Kubota proposed a regular monitoring of Japan's trade balance, for example on a monthly basis.

She said the EPA, as part of surplus-cutting efforts, wants to formulate ways to improve access to Japanese markets and narrow the gap between domestic and overseas prices.

Measures should be worked out before the finance ministers of the Group of Seven (G-7) industrial nations get together in Germany on February 26, she said.



### **Mieno: Currency Movements 'Have Gone Too Far'**

*OW1802040494 Tokyo KYODO in English 0354 GMT  
18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Recent currency movements have been excessive, Bank of Japan governor Yasushi Mieno said Friday [18 February], stressing that industrial nations agree on exchange rate stability.

Referring to recent trends in the foreign exchange market, which saw the dollar plummet nearly 6 percent Monday and Tuesday on trade woes, Mieno told a Diet panel that "the movements have gone too far."

Answering questions in the House of Representatives budget committee, he stressed an agreement is still in effect among the Group of Seven (G-7) leading industrial nations that calls for exchange rates to move in a stable fashion reflecting economic fundamentals.

Finance Minister Hirohisa Fujii made the same point earlier in the morning.

Mieno said he wants to work in close contact with other G-7 members for exchange rate stability. Tokyo currency dealers reiterated Friday that the Bank of Japan appeared to be intervening in the market, selling the yen.

Mieno also appeared to quash expectations that the central bank will soon cut its already record low official discount rate to spur the economy.

If capital stock and other adjustments proceed smoothly, "current interest rate levels are sufficient to support an economic recovery," he said.

He repeated that the economic picture is a mix of good and bad, citing recent yen gains and gradually worsening employment conditions as minuses, pitted against the expected effects of last week's record 15.25 trillion yen fiscal stimulus package.

### **EPA's Tanaka: 110 Yen to Dollar 'Desirable'**

*OW1802085694 Tokyo KYODO in English 0846 GMT  
18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—A top government economist said Friday [18 February] it is desirable that the U.S. dollar rise back above 110 yen for the time being.

Tsutomu Tanaka, administrative vice minister at the Economic Planning Agency, told reporters that the yen's latest advance against the dollar is somewhat excessive in light of economic fundamentals in Japan and the United States. "I'm concerned that this level will linger and do damage to economic recovery," he noted.

The dollar finished at 104.57 yen in Tokyo Friday, up 1.09 yen from Thursday's close but still far below the 110 yen level seen before the weekend Japan-U.S. summit in Washington.

### **Head Life Insurer Expresses Concern Over Yen**

*OW1802091594 Tokyo KYODO in English 0830 GMT  
18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—The yen's rise could undermine Japan's economy just as it is starting to show some signs of a recovery, the head of a life insurers' association said Friday [18 February].

"Sales declines (in such consumer fields as) automobiles, department stores and life insurance policies have slowed recently although uncertainties remain over whether these can be judged as signs of a full-fledged (economic) recovery," Toshiomi Uragami told a regular press meeting.

But the chairman of the Life Insurance Association of Japan stressed, "the yen's appreciation will put a damper" on such movements.

"We must take (the yen's rise) calmly instead of falling into confusion," added Uragami, head of an industry which is also Japan's largest institutional investor.

The dollar plunged against the yen after Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton failed to reach agreement in so-called framework trade talks at their weekend meeting in Washington.

Uragami said, "it's extremely regrettable," but the failure was "inevitable" in the wake of the strong U.S. demand for "numerical targets."

He reiterated that numerical targets lead to "managed trade," and are especially inapplicable in the insurance field, as opposed to government procurement.

The summit was intended to reach an agreement on three priority fields—insurance, automobiles and auto parts, and government procurement of telecommunications and medical equipment.

With the U.S. economy in recovery and the Japanese economy remaining weak, "(the bilateral) trade imbalance was apt to swell," Uragami said, adding that the situation is poised to change with Japan's economy about to pick up.

He welcomed the government's latest economic measures, including the record 15.25 trillion yen stimulus package, income tax cuts, and the economy-oriented budget for fiscal 1994.

Uragami gave a mark of 70 out of 100 to those measures, and said he deducted 30 because more spending would be favorable to "really jump-start" the economy.

Referring to plans by nonlife insurers to hold business-level discussions with the U.S. side, Uragami said his



association already has foreign-affiliated life insurers among its members, and both informal and formal talks have been conducted.

In press remarks Thursday, Takashi Onoda, chairman of the Marine and Fire Insurance Association of Japan, said nonlife insurers intend to hold top-level and other discussions to deepen understanding.

Meanwhile, Uragami said the recent ongoing moves by life insurers to lower their rates on insurance policies for the second consecutive year are a decision "ultimately" reflecting the interest gap with market rates.

He brushed aside any connection with nonperforming loans at housing and other financial institutions related to life insurers. He said, "there is no plan now" for pension insurance, but it could be considered.

**Yen's Rise Said Not Reflected in Import Prices**  
*OW1802102794 Tokyo KYODO in English 0954 GMT*  
*18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—The benefits of the yen's appreciation are not being fully passed on to consumers in revised import prices, two government surveys showed Friday [18 February].

Customs-cleared import prices for 30 selected items in December fell a weighted average of 4.7 percent from a year earlier, with 27 items declining and 17 posting double-digit declines, the Finance Ministry reported.

The fall reflected the dollar's average 12.7 percent decline to 108.35 yen for the month, and declines of more than 30 percent were seen for French wine, Italian shirts and many other items denominated in other currencies that dropped more than the dollar against the yen, a ministry official said.

He noted that higher prices in three items and relatively low declines for 13 items came chiefly on supply shortage and yen-denominated contracts.

Meanwhile, the Economic Planning Agency reported that retail prices for imported goods fell for only 14 products in January while 18 of 20 surveyed items posted declines in customs-cleared prices in December.

Retail prices for 12 items, including wine and shirts, posted lower declines than customs-cleared prices, and two items remained unchanged despite lower customs prices, the agency said.

Moreover, it said consumers saw price increases in grapefruit and subcompact passenger cars although customs officers saw lower prices in the two items.

**Toyota To Boost Technological Help for Chinese**  
*OW1802103394 Tokyo KYODO in English 0910 GMT*  
*18 Feb 94*

[Text] Nagoya, Feb. 18 KYODO—Toyota Motor Corp. will provide full technological assistance to a Chinese automaker with an eye to future business opportunities in the potentially vast market for cars there, Toyota officials said Friday [18 February].

The officials said the top carmaker in Japan will extend more comprehensive support to Shenyang Jinbei Passenger Vehicle Manufacturing Co. in Shenyang, Liaoning Province.

Under a technological transfer agreement reached in 1989, Nagoya-based Toyota has technologically assisted the firm, its only Chinese partner, in assembling its Hiace van.

The Shenyang firm, which started operations in 1991, produced 4,400 units of the commercial vehicle in 1993 and plans to boost output to 20,000 units in 1995.

The Toyota move came as Japanese makers are lagging far behind Western rivals in making entry into the Chinese market, which Beijing plans to expand to a size of two million units a year by the year 2000, four times of the present scale, with aid from foreign makers.

A Toyota official said the Chinese market is indeed "attractive in the future" and that "there is an urgent need to boost our technological help for our Chinese partner."

The Toyota official said the details of the planned assistance have yet to be worked out, but will probably involve technological advice on more complicated parts of the car such as steering mechanisms and accelerators.

The officials also said Toyota plans to help the partner manufacture not only commercial vehicles but also passenger cars in the future.

As a step toward that, they said, the company plans stronger links with Gold Cup Automobile Corp., the parent of the Shenyang firm, through capital participation.

**Burma's San Kyi-SLORC Meeting Urged**  
*OW1802065894 Tokyo KYODO in English 0650 GMT*  
*18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—The Japanese Foreign Ministry said Friday [18 February] it hopes a meeting between Myanmar's [Burma] ruling State Law and Order Restoration Council (SLORC) and opposition leader Aung San Suu Kyi will take place and pave the way for her release.

Foreign Ministry spokesman Terusuke Terada told a press conference Japan welcomes the fact that U.S.



Congressman William Richardson was able to meet Suu Kyi as the first nonfamily member to do so since her house arrest in 1989.

Terada quoted Richardson as saying Suu Kyi expressed a wish to hold high-level talks with SLORC and that the first secretary of SLORC also hinted at the possibility of such talks.

"We naturally hope to see the dialogue take place and that it will be a step forward for an early solution of problems, including the release of Aung San Suu Kyi," he said.

But he referred to a press briefing by SLORC on Tuesday in which it said Suu Kyi will be detained until next year, and said the Japanese Government would "regret this very much" if such is the case.

Richardson, a Democrat from New Mexico, met Suu Kyi on February 14 and 15.

Suu Kyi, leader of the National League for Democracy which won the national general election in May 1990, has been confined at her house in Yangon [Rangoon] since July 1989.

#### **Tokyo To Give Emergency Aid to Indonesia** *OW1802083594 Tokyo KYODO in English 0805 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Japan will give emergency aid totaling 600,000 dollars to Indonesia following the powerful earthquake there Wednesday, a Foreign Ministry spokesman said Friday [18 February].

The aid includes 300,000 dollars in cash, and relief goods such as tents, blankets and medicines, Terusuke Terada said.

The goods will be provided through the Japan International Cooperation Agency (JICA), he said.

As of Thursday, the death toll from the earthquake, which hit the southern part of the island of Sumatra in southwestern Indonesia just after midnight, was 184, with 454 other people seriously injured.

#### **Fujii Terms Donation 'Gratuity' for Services** *OW1802121194 Tokyo KYODO in English 1157 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Finance Minister Hirohisa Fujii said Friday [18 February] a 10 million yen donation to him from a salt wholesalers group last August was a "gratuity for services."

Fujii was replying at the day's session of the House of Representatives budget committee in response to an opposition questioner, who pressed him to account for the money from the Enyu-Kai, an association of salt wholesalers, whose business is under the supervision of the Finance Ministry.

Fujii said, "the money was a gratuity for my services, as I retired from a post in the industry association."

The finance minister said he worked for the body "since 1976 or 1977," and that he returned the money "so that it would not trigger misunderstanding."

The questioner, Takashi Fukaya of the Liberal Democratic Party, said that Fujii contravened a legal obligation to report to tax authorities the acceptance of the money "as personal income."

Fujii earlier said he reported the money as an untaxable political donation to the Home Affairs Ministry. He said his two officially registered political fund-raising organizations received the money last August.

The Enyu-Kai is an affiliate of the Association of Salt Dealers' Cooperatives, to which Fujii had served as a longtime adviser. It acts as a "political organization" for salt wholesalers.

Fujii said, "there is nothing wrong in the fact that money exchanged hands between these political organizations."

Fujii, now a key figure in Shinseitō [Japan Renewal Party] spearheaded by Ichiro Ozawa, a chief strategist of the ruling coalition, was an LDP legislator until last June, when he and dozens of other LDP lawmakers renounced the scandal-tainted party to form Shinseitō.

The YOMIURI SHIMBUN, the nation's largest-circulating daily, reported on Tuesday that the industry body gave the donation in congratulating him on being given the post of finance minister in a cabinet formation last August.

#### **Hosokawa, Takemura Said Not 'at Loggerheads'** *OW1802131594 Tokyo KYODO in English 1258 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Prime Minister Morihiro Hosokawa on Friday [18 February] denied reports that he and Chief Cabinet Secretary Masayoshi Takemura are at loggerheads and that he wants to remove Takemura from the key cabinet post. "We are not hostile to each other at all and we are in very close contact," the premier said at a session of the House of Representatives budget committee in response to opposition questioner Michio Watanabe.

Takemura told the same session, "I think we are on good terms. I don't think we are on bad terms."

Hosokawa was responding to a question as to why he sounded out Hiroyuki Sonoda, a senior legislator of the Sakigake (Harbinger) group founded by Takemura, on whether he is ready to take over as a cabinet member in case Takemura cannot remain in the cabinet.

Watanabe, a former foreign minister, pressed Hosokawa to clarify "whether you want to replace your chief cabinet secretary." "Why did your relations deteriorate?" He asked.



Hosokawa told the session many press reports are wrong.

But later on Friday, Hosokawa attended a reception for members of his Japan New Party and said, "my reformist administration is over. It has entered a second stage."

Political analysts said Hosokawa implied an intention to reorganize the cabinet by saying that his administration has entered a new stage.

Earlier this week, speculation ran high that Hosokawa will carry out an early cabinet reshuffle and remove Takemura from the post of chief cabinet secretary. On Monday the prime minister said he is considering to reshape the cabinet, launched last August.

Faced with strong opposition from Takemura's Sakigake and the Social Democratic Party, the biggest group in Hosokawa's seven-party coalition, Hosokawa retreated later and said Wednesday, "the issue is still a blank piece of paper and I am not working on the assumption that I should conduct it immediately."

Takemura, leader of the 14-member Sakigake, reportedly alienated Hosokawa and Shinseito co-leader Ichiro Ozawa over his opposition to the pair's proposal to slap a new 7 percent indirect tax on goods and services.

Ozawa, a key strategist in the ruling coalition, was reported late last year to have urged Hosokawa to remove Takemura from the key cabinet post.

Meanwhile, a senior official in Hosokawa's seven-party coalition denied that Sakigake is softening its opposition to the cabinet reshuffle and leaning toward accepting the removal of Takemura. He said Sakigake will not accept a proposal to transfer Takemura to another cabinet post if he gives in to pressure to quit the office of chief cabinet secretary, whose constant contacts with the press gives it special political advantages.

**Hosokawa-Takemura 'Icy' Relationship Analyzed**  
*OW1702235194 Tokyo KYODO in English 2318 GMT 17 Feb 94*

["News analysis" by Takehiko Kajita: "Reshuffle Rift Stems From Icy Hosokawa-Takemura Ties"]

[Text] Tokyo, Feb. 18 KYODO—A rift in Prime Minister Morihiro Hosokawa's coalition government over a possible cabinet reshuffle reflects the premier's icy relations with his one-time closest ally.

The controversy stemming from Hosokawa's sudden scheme to shake up his six-month-old cabinet sent a chill wind through the government, raising further doubts about his capability as a leader.

In the face of unexpectedly fierce opposition from within his seven-party coalition, Hosokawa became cagey about his plan and said merely he had not decided whether to carry out a reshuffle or not.

He indicated Wednesday [16 February] he has no intention of reshaping the cabinet, at least until around early March, so as to focus on Diet discussion of the third supplementary budget for fiscal 1993 and on revisions to the political reforms that passed into law in January.

But the prime motive behind his perceived desire to reorganize his team is apparently to remove Masayoshi Takemura from the post of chief cabinet secretary.

It is now an open secret in Nagatacho, Japan's political heart, that Hosokawa wants to ditch Takemura, regarded until only recently as his most important political associate, because he is disgruntled with the top government spokesman's seeming disobedience.

The turning point was apparently reached February 3, when Hosokawa abruptly unveiled a plan to create a 7 percent indirect tax on goods and services in place of the present 3 percent consumption tax to finance a huge income tax cut meant to boost the sluggish economy.

The premier was eventually forced to scrap his plan because of strong objections from within the coalition, but Takemura had criticized it at a news conference when he said, "It is never too late to mend one's ways."

Traditionally, the chief cabinet secretary is expected to be a loyal assistant to the premier, and Takemura's remarks were seen as tantamount to rebellion.

"The chief cabinet secretary should work as one with the premier," an aide to Hosokawa said. "I doubt if he (Takemura) is functioning as chief cabinet secretary."

Aside from Hosokawa's personal feelings, the plan to reshuffle the cabinet fueled speculation that the premier has tilted toward Ichiro Ozawa, a senior leader of Shinseito (Japan Renewal Party) and the main strategist in the coalition.

This means Hosokawa may have opted to team up with Ozawa and Yuichi Ichikawa, secretary general of Komeito, another major member of the coalition. While the Ozawa-Ichikawa duo want a drastic reconfiguration of political parties to establish a two-party system, Takemura and Hosokawa have said they prefer a moderate multiparty system.

Bickering between Takemura and Ozawa is nothing new. The two men have clashed over some key policy issues since the Hosokawa administration set sail last August as Japan's first coalition government in nearly four decades.

It was reported that Ozawa pressed Hosokawa to fire Takemura late last year, when Ozawa and Takemura were at loggerheads over the handling of the premier's cherished political reform bills and the timetable for formulating the fiscal 1994 state budget.

At the time, Hosokawa sided with Takemura, saying he is an indispensable member of the cabinet, according to a source close to the premier.



Both former prefectural governors, Hosokawa and Takemura have long fostered friendly relations and agreed on the "marriage" of the political parties they respectively head—the Japan New Party (JNP) and Sakigake (Harbinger)—in the immediate future.

But the love affair is over. The merger of the two parties seems almost impossible as Hosokawa's scheme to reshuffle the cabinet has incurred the distrust of Sakigake legislators.

"I feel we can no longer get along with Hosokawa," said a senior Sakigake official, who requested he not be identified.

One Sakigake source also said, "We will never again trust Hosokawa, who has driven Mr. Takemura into a corner like this."

It remains to be seen whether Hosokawa will reshape his cabinet in March or later. But if the premier goes ahead with a reshuffle including the dismissal of Takemura as chief cabinet secretary, he could face a serious test of his authority as Sakigake may move to distance itself from the coalition.

"If he forces a reshuffle, we will have to cooperate with the government from outside the cabinet," another Sakigake source said. "If Mr. Takemura is removed, we will not offer any replacement."

#### **Cabinet Approves FY '94 Tax Revision Outline**

*OW1802004194 Tokyo KYODO in English 0022 GMT  
18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Prime Minister Morihiro Hosokawa's cabinet on Friday [18 February] adopted its platform for fiscal 1994 tax system revision, featuring income tax cuts and tax incentives for housing purchases to prop up the flagging economy.

The outline, endorsed at a morning cabinet meeting, is based on a tax revision framework produced by the ruling coalition parties and a report by the Tax Commission, an advisory panel to the prime minister, both issued earlier this month.

The government's package to amend tax laws will be submitted to the current ordinary Diet session.

The platform calls for tax cuts worth 4,391 billion yen but leaves out any decision on a possible consumption tax hike and other measures to finance the tax cuts.

The government "will continue discussing tax reform to realize it by the end of the year," it says.

The tax cuts comprise 3,843 billion yen in national income taxes, 172 billion yen in inheritance taxes, 306 billion yen in abolition of special corporate taxes, and 70 billion yen in reducing the 4.5 percent consumption tax rate on passenger cars to 3 percent.

The income tax cuts are limited to one year, and the reduction amount does not include planned local resident's tax cuts.

The platform recommends revising land and housing tax systems to stimulate the land market and facilitate home purchases, estimating tax breaks worth 15 billion yen.

To back smaller businesses, deadlines on special tax breaks on their streamlining investments will be extended for six months to three years.

Various unfair tax treatments are also subject to revision, including donations at nonprofit organizations and entertainment expenses on smaller companies.

On unexplained expenses that are said to be used by companies to write off political donations and bribes, the government is to impose a punitive levy of 40 percent on top of regular corporate tax, but this will be limited to a period between April 1, 1994 to March 31, 1998.

The outline also calls for higher liquor tax rates.

#### **BOJ Sees No Recovery Despite Brighter Spots**

*OW1802102394 Tokyo KYODO in English 1007 GMT  
18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Fresh data show subtle brightening in some facets of Japan's slumping economy, but no clear signals of recovery have emerged, the Bank of Japan (BOJ) said Friday [18 February].

The central bank's monthly economic review adds the words "on the whole" to its assessment of weak personal consumption, indicating a few areas with "nuances" of improvement, while it deletes mention of strong public investment, a BOJ official said.

The bank stuck to its judgment that "Japan's economic growth remains weak and no clear indication of imminent recovery has been identified."

With overall consumption weak, final demand still lackluster and corporate capital investment still falling, "there has been virtually no growth in industrial production and shipments, and inventory adjustments have stalled," the report said.

Labor conditions also continue to worsen gradually, it said.

Private housing investment remains strong, but growth has slowed in public investment, another recent bright spot, especially compared to robust year-earlier growth, it said.

Some public works projects have been delayed as local governments change bidding practices in the wake of construction scandals. But the official declined to tie the slower public investment growth to the scandals.

Among personal consumption categories, "sales of washing machines and personal computers are picking



up, and revenues at major travel agencies in December increased above last year's level," the report said.

The partial improvements may have been affected by stock adjustments of household durable goods, higher housing investment and new products matching consumers' downscale desires, it said.

But overall, "personal consumption remains weak against the backdrop of slower employment growth and limited income growth," with such factors as cuts in bonus and overtime pay, the report said.

Personal consumption cannot be judged to be recovering without stronger income growth, the BOJ official said.

Manufacturing capital investment continued to decline, despite rises to boost capacity in such areas as semiconductors and liquid crystals, the report said, citing excess capital stock, lower use of capacity, low profits and increased shifts of production overseas.

The report noted that Japan's trade and current-account surpluses have declined, with exports falling in real terms, partly reflecting last year's soaring yen, which moved in a 111-113 yen range in January.

Its recent surge to six-month peaks came "as the market reacted to comments attributed to U.S. officials." The yen closed Friday in Tokyo at 104.57 yen.

**Government To Keep Same Welfare Savings Rates**  
*OW1802023094 Tokyo KYODO in English 0217 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—The government decided Friday [18 February] to maintain the current interest rate on welfare savings offered through private banks at an annual 4.15 percent for the next one-year period.

The decision came at a morning cabinet meeting. Finance Minister Hirohisa Fujii told reporters.

The move is intended to help pensioners and the disabled amid the current trend for lower interest rates in line with progressing financial deregulations, Fujii said.

Private banks offer welfare savings with a relatively high fixed interest rate under the Finance Ministry's permission.

He noted that the Ministry of Posts and Telecommunications is expected to take a similar measure for such savings offered by post offices.

**Reactor Shuts Down After Radioactivity Warning**  
*OW1802050194 Tokyo KYODO in English 0444 GMT 18 Feb 94*

[Text] Fukui, Feb. 18 KYODO—The No. 1 reactor at the Kansai Electric Power Co. nuclear plant in Mihama was shut down Friday [18 February] morning after a

warning lamp indicated the radioactivity level in the secondary coolant water supply has increased.

The company reported an analysis of the secondary water revealed that pipes in one of the plant's steam-driven generators were damaged, which allowed some of the primary water to leak into the secondary water supply.

Officials from the Fukui prefectural governments's nuclear power safety division said that while traces of radioactivity may have escaped into the atmosphere in the steam, its radioactivity monitoring systems in the prefecture showed nothing unusual.

The officials declared that there was no effect on the immediate environment.

The warning lamp at the No. 1 reactor went off at 6:10 A.M. [2110 GMT 17 February] while the Mihama plant was in full operation. The Mihama reactor is a pressurized water reactor with an output of 340,000 kilowatts.

The company began reducing the output of the plant at 7:37 A.M. and 52 minutes later shut down the reactor to examine the cause of the alarm.

According to the safety officials, the warning lamp was set off when the secondary water was supposed to return to water after being turned to steam but remained a vapor, causing a vacuum in the return pump.

It appears that there has been an increase of about 0.1 over the normal numerical value of the monitor, officials said.

The pressurized water reactor generates electricity with turbines driven by secondary water which has been turned into steam by the superheated primary water.

**Food Makers Use Imported Rice**

*OW1802123694 Tokyo KYODO in English 1135 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Japanese food manufacturer Ajinomoto Co. on Friday [18 February] announced a decision to use imported rice in its frozen foods such as pilaff.

Sushi chain operator Kyotaru Co. also said it is experimenting with imported rice for use in its takeout and restaurant food.

Nichiro Corp. said it will start selling frozen pilaff based on Thai rice next month. Nippon Suisan Kaisha Ltd. also plans to use imported rice in its frozen food.

**Group Accused of Dubious Rice Sales Accounting**  
*OW1802114194 Tokyo KYODO in English 1107 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—A member of the House of Representatives on Friday [18 February]



accused the agricultural group Zenno of what she sees as dubious accounting on its trade in rice used to make miso (bean paste) and rice crackers.

Sumi Fujita of the Japanese Communist Party presented to the government a report which said that Zenno (the National Federation of Agricultural Cooperative Associations) failed to properly return to farmers its profits from sales of such rice.

Zenno is entrusted by the government to market non-table use rice. It buys the rice from growers at prices about 40 percent lower than those the government pays them.

Fujita said in the report that Zenno spent 28,627 million yen during the eight years from 1984 through 1991 as "costs for boosting demand" and "collection expenses."

She said these expenditures are "beyond a level the food agency permits, and should be returned to farmers as sales profits."

She also accused the government of neglecting to oversee Zenno's accounting.

Admitting that it has not monitored the transport and management costs involved in Zenno's sales activities, the food agency said it will investigate the accusation.

Zenno said, meanwhile, the problem has already been resolved and defended its accounting as being appropriate.

After a similar complaint made by Fujita in February last year, Zenno was eventually prompted to return 4,281 million yen to farmers.

#### **Beef Imports Reportedly Top Annual Record**

*OW1802123494 Tokyo KYODO in English 1217 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 KYODO—Japan's beef imports in the first nine months of fiscal 1993 already exceeded the record amount imported in the whole of fiscal 1992, the Agriculture, Forestry and Fisheries Ministry said in a preliminary report Friday [18 February].

The ministry said imports in the April-December period totaled 437,000 tons, rising 25.7 percent from a year earlier and topping the annual record of 423,000 tons set in fiscal 1992.

Imports in fiscal 1993, ending March 31, are expected to total 550,000 tons, the ministry forecast.

Japan liberalized beef imports in 1991 and reduced tariffs in 1992 and 1993. Imported beef is used mostly by restaurant chains.

The ministry said beef imports are expected to continue increasing in the coming years, since Japan agreed in December at the Uruguay Round of global trade talks to

further reduce the tariffs to 38.5 percent from the present 50 percent in the six years beginning 1995.

### **North Korea**

#### **Memorandum Issued on ROK Nuclear Development**

*SK1802110994 Pyongyang KCNA in English 1103 GMT 18 Feb 94*

[Foreign Ministry Memorandum: "True Picture of Production of Plutonium From PHWRs in South Korea"—KCNA headline]

[Text] Pyongyang, February 18 (KCNA)—The Ministry of Foreign Affairs of the Democratic People's Republic of Korea on February 18 issued a memorandum exposing the true picture of nuclear weapons development in South Korea.

The memorandum reads in full:

It is a worldwide-known fact that the successive rulers in South Korea have long carried forward their clandestine programme for the development of nuclear weapons under the U.S. "nuclear umbrella."

The Ministry of Foreign Affairs of the Democratic People's Republic of Korea issued its memorandum early last year, disclosing South Korea's nuclear weapons development programme.

Many governments, political parties, public organizations and the world community at large have expressed great concern over the South Korean authorities' machinations for nuclear weapons development and demanded their immediate discontinuation.

This notwithstanding, the South Korean authorities have refused to comply with this demand and stepped up their nuclear weapons development at accelerated pace.

In connection with another revelation of the fact that the South Korean authorities have recently increased plutonium output from their pressurized heavy water reactor (PHWR) for the development of nuclear weapons, the Ministry of Foreign Affairs of the Democratic People's Republic of Korea is issuing this memorandum, considering it necessary to disclose the true picture thereof.

#### **I. The South Korean Authorities' Nuclear Weapons Development Policy and Introduction of PHWR**

South Korea's nuclear weapons development policy was shaped in the early 1970s.

The 1960s witnessed a rapid collapse of the imperialists' colonial system in different parts of the world, that gave way to a chain of the declaration of independence by countries under the colonial domination. In the 1970s, the suzerain states moved toward withdrawing their troops from their former colonies.



Critically ill at ease over these moves, the former dictator Pak Chong-hui tried to find a way out in developing nuclear weapons.

A former aide close to the "Chongwadae" [presidential office] testified that Pak Chong-hui "concluded that the last resort for self-reliant national defence capability is the acquisition of nuclear weapons." (South Korean monthly magazine SINDONG-A, April issue of 1989).

Recalling this period, a South Korean newspaper reported that "with all testimonies pieced together, Pak Chong-hui seemed to have taken a 'shortcut' toward the acquisition of nuclear weapons by the mid-1970s." (South Korean newspaper CHUNGANG ILBO, August 6, 1992)

As Pak Chong-hui committed himself to the nuclear development policy, his primary preoccupation was to obtain access to the nuclear explosive substances and introduce the PHWR to this end.

The South Korean monthly magazine WOLGAN CHOSON in its August issue of 1988 commented that "Pak Chong-hui forcefully suppressed the anti-PHWR voice within his 'government' and ordered Chairman Mun Chung-sik of the 'Korea Electric Power Corporation' (KEPCO) to resolutely push forward the introduction of the PHWR. This seemed to reflect his preoccupation with the nuclear arms development".

The same magazine in its October issue of 1991 wrote that "a person, once deeply engaged in the nuclear development programme, admitted that the introduction of the Wolsong PHWR from Canada was aimed at manufacturing nuclear weapons."

Even a physicist who remembers the PHWR introduction asserted that "the PHWR introduction is apparently related to the nuclear weapons development." (South Korean monthly magazine SINDONG-A, April issue of 1989).

South Korea embarked on a pilot-production of nuclear weapons through PHWR as early as in the late 1970s. These attempts by South Korea to develop nuclear weapons escalated during the years of the Chon Tu-hwan "regime".

On December 19, 1980, Chon Tu-hwan took the "measure of merging and dissolving the 'government-subsidized agencies,'" a camouflage to feign the abandonment of nuclear weapons development scheme, but in fact "maximized their research capability." (South Korean YONHAP yearbook, 1981 edition)

In September 1983, Yi Ki-paek, the then "chairman of the Joint Chiefs of Staff of the 'ROK' Army", submitted his "verbal report on the nuclear policy" of South Korea to Chon Tu-hwan, and this was the occasion for the evolution of the "secretly planned strategy for nuclear arms option," which has since been vigorously promoted". (South Korean monthly magazine WOLGAN CHOSON, October issue of 1991)

Under the cloak of the "localization of nuclear fuel," the Chon Tu-hwan military "regime" succeeded in developing the PHWR nuclear fuel in 1986 and completed its experimental facilities for processing the PHWR nuclear fuel in 1987. This process has enabled the "regime" to move toward the goal of an independent capability of producing the total amount of nuclear fuel needed for the Wolsong PHWR and at the same time toward the stage of perfecting the technology of reprocessing the spent fuel.

The No Tae-u military "regime" stepped into a full-scale stage of achieving a greater practicability of the industrial foundation of its nuclear weapons development programme by completing this foundation.

Stressing the need to "actively meet the fast-changing situation", No Tae-u had the "Taedok Declaration" adopted pledging to complete by 1992 the project of the "Taedok science town", general headquarters of the nuclear weapons development programme, 4 or 5 years ahead of schedule, and on November 27, 1992 he officiated at the dedication ceremony of the town project. (South Korean DONG-A yearbook, 1991 edition, MBC television, November 27, 1992)

Throughout the process of their nuclear weapons development, the present South Korean authorities attempted to divert the world public attention from their telltale nuclear arms programme under the cloak of the light water reactors (LWR) system.

In face of the mounting international public opinion against South Korea's increasing moves towards nuclear weapons development, Kim Yong-sam tried to whitewash such moves, saying that they "have no intention at all to go ahead with any independent nuclear weapons development programme". (South Korean Radio No. 1, November 14, 1993)

South Korean authorities' decision to introduce the PHWR was "motivated by the analysis which indicates a higher purity of plutonium from the reprocessed natural uranium as compared with the spent enriched uranium." (South Korean monthly magazine WOLGAN CHOSON, April issue of 1992).

The South Korean monthly magazine WOLGAN CHOSON in its November issue of 1989 quoted the chairman of South Korea's non-governmental "Council for Atomic Power Development and Safety" as saying in the early 1970s that "the Canadian Deuterium-Uranium (CANDU)-type PHWR is fuelled by natural uranium, which we can supply on our own".

The PHWR introduction is also aimed at circumventing the supervision by the International Atomic Energy Agency (IAEA).

A South Korean physicist who remembers the period of the PHWR introduction confessed that "the IAEA's supervision is almost difficult, because the PHWR



leaves room for a random fuel discharge." (South Korean monthly magazine *SINDONG-A*, April issue of 1989)

As seen in the above, the Wolsong PHWR is a pile geared to plutonium production which the South Korean authorities have commissioned into operation in pursuit of their policy intention to develop nuclear weapons.

## II. The Stockpiling of Plutonium Through the PHWR and Completion of System for the Full-Scale Nuclear Weapons Development

The Wolsong PHWR plays a pivotal role in the South Korean authorities' nuclear weapons development programme. Under a South Korean-Canadian December 1974 contract, the Wolsong PHWR project began in January 1976 and went into operation in April 1983.

At present, South Korea has the Wolsong PHWR, the multi-purpose research reactors (K-NRR) and post irradiation test facilities in operation as an integral centre of the plutonium production.

The amount of nuclear material from a 1,000 MWe [megawatts electric] PHWR after one year operation is enough to manufacture around 50 atomic bombs of Nagasaki type.

Therefore, it follows that the 678.7 MWe PHWR operating in South Korea since 1983 has by now produced potential plutonium enough to manufacture over 370 atomic bombs.

The U.S. newspaper *INTERNATIONAL HERALD TRIBUNE* on November 2, 1993 said that South Korea is speeding up its ambitious nuclear programme under IAEA "safeguards," and further wrote that "experts estimate that its accumulated spent fuel would yield about 10 tons of plutonium if reprocessed. This stockpile of potential plutonium will increase to an estimated 24 tons by the year 2,000."

This was pointed out also by the Japanese magazine *SEKAI* in its December issue of 1992, which reported that South Korea has stockpiled about 10 tons of plutonium extracted from the spent fuel.

Quite obvious is how much the stockpile of plutonium will bulk up, when another PHWR now under construction is commissioned into operation.

South Korea is speeding up its projects to build more PHWRs in an effort to extract more plutonium under the pretext of reprocessing 300 tons of spent fuel annually discharged from eight LWRs currently in operation plus 1,140 tons of spent fuel contained in underwater storage to be recycled back into these PHWRs.

Commenting on this, South Korean newspaper *HANGYORE SINMUN* reported on March 15, 1990 that the South Korean authorities were planning to recycle the LWR spent fuel into low-enriched PHWR

fuel blended with other uranium waste, a move "implicative of their military consideration reflected by their intention to build more PHWR power plants that allow an easier extraction of plutonium."

Peter Hayes, an anti-nuclear activist, wrote in his essay, entitled "The Republic of Korea and the Nuclear Issue," that "it is evident that the South Koreans have not abandoned the idea of reprocessing their spent fuel. In October, 1989, South Korea began informal discussions to organize a trilateral arrangement involving South Korea, the United States, and Canada, whereby coprocessing would be established in South Korea.

"Also in October, 1989 an IAEA seminar in Vienna was told by a KEPCO official that South Korea wants to install more PHWRs. A South Korean official added at the same meeting that South Korea would like to reprocess LWR spent fuel for recycling plutonium back into these PHWRs."

The point at issue is that the spent nuclear fuel from the PHWR is diverted directly into manufacturing nuclear weapons after its conversion into plutonium through the undisclosed reprocessing facility at the "Taedok science town."

## III. The PHWRs Must Be Replaced By the LWRs

The South Korean authorities have given the United States carte blanche to deploy numerous nuclear weapons in South Korea and meanwhile, on their part, actively pushed ahead with their own nuclear weapons development programme, and they are planning these days to introduce even "Patriot" missiles.

This graphically testifies to a sheer incongruity of their words and deeds, allegedly devoted to the implementation of the "joint declaration on the denuclearization of the Korean peninsula".

Now, South Korea is practically moving toward invalidating the "joint declaration on the denuclearization of the Korean peninsula".

In this regard, an American scholar Selig S. Harrison wrote in his comment that "criticism of the agreement has intensified in South Korea since Mr. No left office. One of the key advisers to President Kim Yong-sam, Chong Chae-mun, chairman of the 'National Assembly's Foreign Affairs and Unification Committee' has called for a review of the 1991 agreement. 'We know that we could generate nuclear power at a lower cost if we have reprocessing facilities,' Mr. Chong said last May, 'and we cannot continue to depend on foreign countries for nuclear fuel.'" (U.S. newspaper *INTERNATIONAL HERALD TRIBUNE*, November 2, 1993).

The increasingly undisguised efforts on the part of the South Korean authorities to invalidate the "joint declaration on the denuclearization of the Korean peninsula" have further intensified recently, simultaneously with



the on-going ruckus over the DPRK's so-called 'suspected nuclear programme'.

South Korea's former "Minister of National Unification" Yi Se-ki said in April 1993 that "the 'North-South joint declaration on the denuclearization' has been invalidated in principle," and went the length of insisting that "it is high time we have to acquire nuclear weapons capability, and the 'National Assembly' should raise voice calling for this." (South Korean newspaper TONG-A ILBO, April 11, 1993).

South Korean "MBC Television" reported on October 9, 1993 that some observers speculated that Kim Yong-sam called a "security-related ministers' meeting," unusually attended by the "minister of science and technology," and the meeting discussed matters related to the "acquisition of nuclear fuel reprocessing facilities" and to the "review of the 'declaration on the denuclearization of the Korean peninsula.'"

It has become a stark fact that the persistent dustup by the South Korean authorities over the DPRK's so-called "suspected nuclear programme" is, after all, intended to justify their attempts to develop nuclear weapons.

Commenting on this, the Romanian weekly EUROPA in its edition No. 152 disclosed that "the South Korean authorities' kickup over the North's 'suspected nuclear programme' is part of their propaganda offensive to legalize their own nuclear weapons development."

The Canada-based overseas Koreans' newspaper NEW KOREA TIMES commented on October 23, 1993 that "particularly, the voice of the new right-wing forces in South Korea calling for the possession of nuclear weapons was high in intensity and the opposition response was no less tough. As if reflecting such pros and cons, South Korea's nuclear independence turned out to be a favorite topic in the 'National Assembly' as well".

These facts alone suffice to show that the South Korean authorities are dashing headlong toward nuclear weapons development, unconcerned with the "joint declaration on the denuclearization of the Korean peninsula," which they have now rendered worthless.

The South Korean authorities must renounce their "nuclear weapons development policy" for the denuclearisation of the Korean peninsula, remove the nuclear materials they have already produced or brought from other countries, and take urgent measures either to dismantle their PHWRs both in operation and under construction or to replace them with LWRs.

#### **Pyongyang Radio Carries Memorandum**

SK1802140194 Pyongyang Korean Central  
Broadcasting Network in Korean 1105 GMT 18 Feb 94

[Foreign Ministry Memorandum: "The True Picture Concerning the Production of Plutonium From PHWRs in South Korea"]

[Text] The DPRK Ministry of Foreign Affairs on 18 February issued a memorandum exposing the true picture of secret nuclear development in South Korea where plutonium output from pressurized heavy water reactors [PHWR's] [chungsauro] has been increasing recently.

The memorandum reads in full:

It is a fact known worldwide that the successive rulers in South Korea have long carried forward their clandestine program for the development of nuclear weapons under the U.S. nuclear umbrella.

The DPRK Ministry of Foreign Affairs issued its memorandum early last year, disclosing South Korea's premeditated maneuver [kyehoekchokin chaekdong] for the development of nuclear weapons.

Many governments, political parties, public organizations and the world community at large have expressed great concern over the South Korean authorities' machinations for nuclear weapons development and demanded their immediate discontinuation. This notwithstanding, the South Korean authorities have refused to comply with this demand and stepped up their nuclear weapons development at an accelerated pace.

In connection with another revelation of the fact that the South Korean authorities have recently increased plutonium output from their pressurized heavy water reactor (PHWR) for the development of nuclear weapons, the DPRK Ministry of Foreign Affairs is issuing this memorandum, considering it necessary to disclose the true picture thereof.

#### **I. The South Korean Authorities' Nuclear Weapons Development Policy and Introduction of PHWR**

South Korea's nuclear weapons development policy was shaped in the early 1970s. The 1960s witnessed a rapid collapse of the imperialists' colonial system in different parts of the world, that gave way to a chain of the declaration of independence by countries under colonial domination. In the 1970s, the suzerain states moved toward withdrawing their troops from their former colonies.

Critically ill at ease over these moves, the former dictator Pak Chong-hui tried to find a way out in developing nuclear weapons.

A former aide close to the Chongwadae [presidential office] testified that Pak Chong-hui concluded that the last resort for self-reliant national defence capability is the acquisition of nuclear weapons.—South Korean monthly magazine SINDONG-A, April issue of 1989.

Recalling this period, a South Korean newspaper reported that with all testimonies pieced together, Pak Chong-hui seemed to have taken a shortcut toward the acquisition of nuclear weapons by the mid-1970s.—South Korean newspaper CHUNGANG ILBO, 6 August 1992.



As Pak Chong-hui committed himself to the nuclear development policy, his primary preoccupation was to obtain access to the nuclear explosive substances [haek-pokpal muljil hoehtuk] and introduce the PHWR to this end.

The South Korean monthly magazine WOLGAN CHOSON in its August issue of 1988 commented that Pak Chong-hui forcefully suppressed the anti-PHWR voice within his government and ordered Chairman Mun Chung-sik of the Korea Electric Power Corporation (KEPCO) to resolutely push forward the introduction of the PHWR. This seemed to reflect his preoccupation with nuclear arms development. The same magazine in its October issue of 1991 wrote that a person, once deeply engaged in the nuclear development program, admitted that the introduction of the Wolsong PHWR from Canada was aimed at manufacturing nuclear weapons. Even a physicist who remembers the PHWR introduction asserted that the PHWR introduction was apparently related to the nuclear weapons development.—South Korean monthly magazine SINDONG-A, April issue of 1989.

South Korea embarked on pilot-production of nuclear weapons through the PHWR as early as in the late 1970s. These attempts by South Korea to develop nuclear weapons escalated during the years of the Chon Tu-hwan regime.

On 19 December 1980, Chon Tu-hwan took the measure of merging and dissolving the government-subsidized agencies, a camouflage effort to feign the abandonment of the nuclear weapons development scheme, but which in fact maximized their research capability.—South Korean YONHAP yearbook, 1981 edition.

In September 1983, Yi Ki-paek, the then chairman of the Joint Chiefs of Staff of the South Korean Army, submitted his verbal report on the nuclear policy of South Korea to Chon Tu-hwan, and this was the occasion for the evolution of the secretly planned strategy for nuclear arms option [pimil kihoek haengmujang sontaekkwon chollyak], which has since been vigorously promoted.—South Korean monthly magazine WOLGAN CHOSON, October issue of 1991.

Under the cloak of the localization of nuclear fuel, the Chon Tu-hwan military regime succeeded in developing the PHWR nuclear fuel in 1986 and completed its experimental facilities for processing the PHWR nuclear fuel in 1987. This process has enabled the regime to move toward the goal of an independent capability of producing the total amount of nuclear fuel needed for the Wolsong PHWR and at the same time toward the stage of perfecting the technology of reprocessing the spent fuel. The No Tae-u military regime stepped into a full-scale stage of achieving a greater practicability [nilyonghwa] of the industrial foundation of its nuclear weapons development program by completing this foundation.

Stressing the need to actively meet the fast-changing situation, No Tae-u had the Taedok Declaration adopted pledging to complete by 1992 the project of the Taedok science town, general headquarters of the nuclear weapons development program, 4 or 5 years ahead of schedule, and on 27 November 1992 he officiated at the dedication ceremony of the town project.—South Korean DONG-A yearbook, 1991 edition, MBC television, 27 November 1992.

Throughout the process of their nuclear weapons development, the present South Korean authorities attempted to divert the world public attention from their telltale nuclear arms program under the cloak of the light water reactors (LWR) system.

In face of the mounting international public opinion against South Korea's increasing moves toward nuclear weapons development, Kim Yong-sam tried to white-wash such moves, saying that they have no intention at all to go ahead with any independent nuclear weapons development program.—South Korean Radio No. 1, 14 November 1993.

South Korean authorities' decision to introduce the PHWR was motivated by the analysis which indicates a higher purity of plutonium from the reprocessed natural uranium as compared with the spent enriched uranium.—South Korean monthly magazine WOLGAN CHOSON, April issue of 1992.

The South Korean monthly magazine WOLGAN CHOSON in its November issue of 1989 quoted the chairman of South Korea's non-governmental Council for Atomic Power Development and Safety as saying in the early 1970s that the Canadian Deuterium-Uranium (CANDU)-type PHWR is fuelled by natural uranium, which we can supply on our own. The PHWR introduction is also aimed at circumventing supervision by the International Atomic Energy Agency (IAEA).

A South Korean physicist who remembers the period of the PHWR introduction confessed that the IAEA's supervision is almost difficult, because the PHWR leaves room for random fuel discharge [susiro yollyorol ppaenaelsu iseo].—South Korean monthly magazine SINDONG-A, April issue of 1989.

As seen above, the Wolsong PHWR is a pile geared to plutonium production which the South Korean authorities have commissioned into operation in pursuit of their policy intention to develop nuclear weapons.

## II. The Stockpiling of Plutonium Through the PHWR and the Completion of a System for Full-Scale Nuclear Weapons Development

The Wolsong PHWR plays a pivotal role in the South Korean authorities' nuclear weapons development program. Under a South Korean-Canadian December 1974 contract, the Wolsong PHWR project began in January 1976 and went into operation in April 1983. At present, South Korea has the Wolsong PHWR, the multi-purpose



research reactors (K-NRR) and post irradiation test facilities in operation as an integral centre of the plutonium production.

The amount of nuclear material from a 1,000 MWe [megawatts electric] PHWR after one year operation is enough to manufacture around 50 atomic bombs of Nagasaki type. Therefore, it follows that the 678.7 MWe PHWR operating in South Korea since 1983 has by now produced potential plutonium enough to manufacture over 370 atomic bombs.

The U.S. newspaper INTERNATIONAL HERALD TRIBUNE on 2 November 1993 said that South Korea is speeding up its ambitious nuclear program under IAEA safeguards, and further wrote that experts estimate that its accumulated spent fuel would yield about 10 tons of plutonium if reprocessed. This stockpile of potential plutonium will increase to an estimated 24 tons by the year 2000.

This was pointed out also by the Japanese magazine SEKAI in its December 1992 issue, which reported that South Korea has stockpiled about 10 tons of plutonium extracted from the spent fuel. Quite obvious is how much the stockpile of plutonium will bulk up, when another PHWR now under construction is commissioned into operation.

South Korea is speeding up its projects to build more PHWR's in an effort to extract more plutonium under the pretext of reprocessing 300 tons of spent fuel annually discharged from eight LWR's currently in operation plus 1,140 tons of spent fuel contained in underwater storage to be recycled back into these PHWR's.

Commenting on this, the South Korean newspaper HANGYORE SINMUN reported on 15 March 1990 that the South Korean authorities were planning to recycle the LWR spent fuel into low-enriched PHWR fuel blended with other uranium waste, a move implicative of their military consideration [kunsajok uido] reflected by their intention to build more PHWR power plants that allow an easier extraction of plutonium.

Peter Hayes, an anti-nuclear activist, wrote in his essay entitled: The Republic of Korea and the Nuclear Issue, that it is evident that the South Koreans have not abandoned the idea of reprocessing their spent fuel. In October 1989, South Korea began informal discussions to organize a trilateral arrangement involving South Korea, the United States, and Canada, whereby coprocessing would be established in South Korea.

Also in October 1989 an IAEA seminar in Vienna was told by a KEPCO official that South Korea wanted to install more PHWR's. A South Korean official added at the same meeting that South Korea would like to reprocess LWR spent fuel for recycling plutonium back into these PHWR's. The point at issue is that the spent nuclear fuel from the PHWR is diverted directly into manufacturing nuclear weapons after its conversion into

plutonium through the undisclosed reprocessing facility at the Taedok science town.

### III. The PHWR's Must Be Replaced By LWR's

The South Korean authorities have given the United States carte blanche to deploy numerous nuclear weapons in South Korea and meanwhile, on their part, actively pushed ahead with their own nuclear weapons development program, and they are planning these days to introduce even Patriot missiles. This graphically testifies to a sheer incongruity of their words and deeds, allegedly devoted to the implementation of the joint declaration on the denuclearization of the Korean peninsula.

Now, South Korea is practically moving toward invalidating [paekchihwa] the joint declaration on the denuclearization of the Korean peninsula.

In this regard, an American scholar Selig S. Harrison wrote in his comment that criticism of the agreement has intensified in South Korea since Mr. No left office. One of the key advisers to President Kim Yong-sam, Chong Chae-mun, chairman of the National Assembly's Foreign Affairs and Unification Committee has called for a review of the 1991 agreement. We know that we could generate nuclear power at a lower cost if we have reprocessing facilities, Mr. Chong said last May, and we cannot continue to depend on foreign countries for nuclear fuel.—U.S. newspaper INTERNATIONAL HERALD TRIBUNE, 2 November 1993.

The increasingly undisguised efforts on the part of the South Korean authorities to invalidate [muhohwa] the joint declaration on the denuclearization of the Korean peninsula have further intensified recently, simultaneously with the on-going ruckus over the DPRK's so-called suspected nuclear program.

South Korea's former Minister of National Unification Yi Se-ki said in April 1993 that the North-South joint declaration on the denuclearization has been invalidated in principle, and went to the length of insisting that it is high time we have to acquire nuclear weapons capability [haengnungnyok], and the so-called National Assembly should raise voice calling for this.—South Korean newspaper TONG-A ILBO, 11 April 1993.

South Korean MBC Television reported on 9 October 1993 that some observers speculated that Kim Yong-sam called a security-related ministers' meeting, unusually attended by the minister of science and technology, and the meeting discussed matters related to the acquisition of nuclear fuel reprocessing facilities and to the review of the declaration on the denuclearization of the Korean peninsula.

It has become a stark fact that the persistent dustup by the South Korean authorities over the DPRK's so-called suspected nuclear program is, after all, intended to justify their attempts to develop nuclear weapons.



Commenting on this, the Romanian weekly EUROPA in its edition No. 152 disclosed that the South Korean authorities' kickup over the North's suspected nuclear program is part of their propaganda offensive to legalize their own nuclear weapons development.

The Canada-based overseas Koreans' newspaper NEW KOREA TIMES commented on 23 October 1993 that in particular, the voice of the new right-wing forces in South Korea calling for the possession of nuclear weapons was high in intensity and the opposition response was no less tough. As if reflecting such pros and cons, South Korea's nuclear independence turned out to be a favorite topic in the so-called National Assembly as well.

These facts alone suffice to show that the South Korean authorities are dashing headlong toward nuclear weapons development, unconcerned with the joint declaration on the denuclearization of the Korean peninsula, which they have now rendered worthless.

The South Korean authorities must renounce their nuclear weapons development policy, which severely threatens our nation's right of existence and the peace and security of Northeast Asia, remove plutonium for nuclear weapons development, and take urgent measures either to dismantle their PHWR's—both in operation or under construction—or to replace them with LWR's.

[Issued] 18 February, Pyongyang

#### **Radio VNS Reports Kim Chong-il Slogans in South**

*SK1802055994 Pyongyang KCNA in English  
0425 GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—Literatures representing the minds of the South Korean people warmly congratulating the dear leader Comrade Kim Chong-il on his birthday and following him with deep reverence were scattered in different parts of South Korea, the Seoul-based Radio Voice of National Salvation [VNS] reported.

The literature under the name of the February 16 lodestar fellowship society which was found in the letter boxes in South and central districts, Taegu, under the title "February 16, the birthday of the sun above Mt. Paektu, the most auspicious holiday of the nation" said: "Congratulations and best wishes for longevity to the leader Kim Chong-il on his 52nd birthday," "Let us make a big bow to the leader Kim Chong-il, an illustrious leader of the nation," "Let us reunify the country by following general Kim Chong-il, the great commander who descended from heaven, and "Long live the leader Kim Chong-il, the defender of the nation!"

Literatures reading "Congratulations to the leader Kim Chong-il upon his 52nd birthday," "The leader Kim Chong-il is a rare hero who will lead the 21st century" and "Let us achieve national reunification by holding in

high esteem General Kim Chong-il, the sun of guidance" under the name of the sunflower society were found in the university town and slum quarters called Taldongne and in and around parks visited by many people.

Literatures under the name of the Saeppyo Society of Comrades-in-Arms were found in Kangnung and Chunchon, South Korean Kangwon Province. They said "Wholehearted wishes for longevity to the leader Kim Chong-il on his 52nd birthday," "Let us follow the leader Kim Chong-il, the destiny of the nation, through ages" and "The anthropocentric North shining under the guidance of the leader Kim Chong-il is the peak of our hopes".

#### **Students Society Adopts Letter to Kim Chong-il**

*SK1802121594 Pyongyang KCNA in English  
1108 GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—Students of Seoul National University adopted a letter to the dear leader Comrade Kim Chong-il at the inaugural meeting of the Sobaksu Society held on February 5, the Seoul-based radio Voice of National Salvation reported.

In the letter they wrote a large number of famous works authored by Comrade Kim Chong-il, including "On the Chuche Idea" and "The Historical Lessons in Building Socialism and the General Line of Our Party", are textbooks of human life resuscitating the immutable faith and vitality in the minds of young intellectuals and they serve as their maxims in the movement for a change in the South.

"Admiring the great independent politics and outstanding commandship of you the dear leader Comrade Kim Chong-il who have exalted the North to the highest position of the world as a beacon of hope of the people in the South, as the socialist bastion, we passionate students and all the people in the South highly praise you as a national hero, the incarnation of independent politics and the world's no.1 famous general," the letter notes, adding:

"We solemnly vow to discharge our mission as a vanguard to firmly arm the one million students with the truth of chuche and the spirit of Paektu and purify the squalid South Korean society with the waves of chuche."

The letter wishes a long life and good health to Comrade Kim Chong-il, the defender of the nation's destiny and the lodestar of national reunification.

#### **KCNA Reports Anti-U.S. Rallies in South Korea**

*SK1802043494 Pyongyang KCNA in English  
0427 GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—Students in Kwangju and Taegu Thursday staged powerful anti-U.S. demonstrations, according to a South Korean radio report.



More than 300 students in Kwangju in their anti-U.S. protest in front of the "American Centre", charged that the United States was whipping up the atmosphere of war on the Korean peninsula, increasing pressure on the North over the "nuclear issue".

They strongly demanded that the United States stop pressuring the North for nuclear inspection and the "Team Spirit" joint military exercises.

The protesters threw a hundred bottles of paint and rocks at the "American Centre" in the fierce demonstration.

On the same day about fifty students rushed to the "American Centre" in Taegu and staged a surprise anti-U.S. demonstration shouting "we oppose the United States increasing tensions on the Korean peninsula" and pelting scores of paint cans at the building.

#### **Commentary Supports Students' Rallies**

SK1802141094 Pyongyang Korean Central  
Broadcasting Network in Korean 1150 GMT 18 Feb 94

[Commentary by Chong Pong-kil: "Just Struggle"]

[Text] According to a radio report from Seoul, students staged strong anti-U.S. demonstrations in Kwangju and Taegu on the morning of 17 February. Approximately 300 university students in Kwangju district staged anti-U.S. demonstrations in front of the American Center in Yangnim-tong, So-ku, Kwangju City. The students denounced the United States for recently strengthening pressure on the North regarding the nuclear issue and for creating a war atmosphere on the Korean peninsula. The university students strongly urged the United States to stop pressuring the North on the nuclear inspection issue and to discontinue the Team Spirit joint military exercise.

It is said that the furious students threw approximately 100 paint bombs and stones at the American Center and staged strong demonstrations.

In addition, approximately 50 university students rushed to the American Center in Taegu City and staged a surprise anti-U.S. demonstration. According to the radio report, the students threw dozens of paint bombs at the American Center, while chanting the slogan: "We oppose the United States aggravating tension on the Korean peninsula."

The South Korean youth and students stage very justifiable struggles to prevent the war danger developing on the Korean peninsula, to establish durable peace, and to realize the independent and peaceful reunification of the country.

As everyone knows, even though half a century has passed since our country was divided, our country has not been reunified. The danger of war—not durable

peace—has been further increased on the Korean peninsula. This is because the United States has occupied South Korea and has run wild to bring about a new war.

If the United States did not bring approximately 1,000 nuclear weapons of all kinds into South Korea, the nuclear issue on the Korean peninsula would not arise. If the United States did not deploy tens of thousands of aggression forces in South Korea and did not run wild to bring about a new war, the situation of our country would not be tense.

Worse still, the United States has been putting pressure on us to accept nuclear inspections and has openly revealed the inner intention to conduct the Team Spirit joint military exercise—a test nuclear war and a preliminary war to invade the North.

Now the U.S. warmongers say that if the Team Spirit joint military exercise cannot be conducted, they plan to conduct another joint military exercise targeted at our Republic. They are babbling that if the joint military exercise cannot be conducted in South Korea, they will conduct it even in Hawaii.

In actuality, the U.S. Forces based in Okinawa will begin a military move regarded as the conduction of the Team Spirit-94 joint military exercise.

Facts show that the Team Spirit war exercise will become a reality. In spite of the strong opposition by our people and the people of the world, if the Team Spirit war exercise is conducted, the tension in our country will be extremely aggravated and the dark cloud of nuclear war will hover over our people.

Furthermore, at a time when tension has been extremely aggravated due to nuclear inspection moves by the United States and the International Atomic Energy Agency [IAEA] against us, conducting the Team Spirit war exercise is very dangerous, like playing a war gamble on an arsenal depot. If such a very dangerous thing is overlooked, the irrevocable nuclear holocaust will be imposed upon our nation.

Thus, in face of the fascist suppression, South Korean youth, students, and people are staging strong struggles calling for the United States to discontinue the Team Spirit war exercise.

Our nation cannot fall a victim to nuclear holocaust. Whether they are in the North, South, or overseas, the people who think about the future of the country and the nation should rise up to the just struggle to prevent and frustrate the U.S. nuclear war moves through the unity of all nations.

The United States should give up the moves to conduct the Team Spirit war exercise move as claimed by the South Korean people, it should get out of South Korea immediately by withdrawing its forces, nuclear weapons, and all aggression forces from South Korea.



If the United States persistently conducts the Team Spirit war exercise in spite of our people's strong opposition, it should be entirely held responsible for the consequence arising therefrom.

#### **Kim Il-song Receives Canadian Party Delegation**

*SK1802121894 Pyongyang KCNA in English  
1110 GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—The great leader President Kim Il-song today received a delegation of the Communist Party of Canada (M-L) led by its national leader Hardial Bains on a visit to Korea.

On hand were Secretary of the Central Committee of the Workers' Party of Korea [WPK] Hwang Chang-yop and vice-director of a department of the C.C. [Central Committee] the WPK Pak Kyong-son and Vice-chairman of the State Education Commission Yo Won-ku.

President Kim Il-song had a talk with the guests in a cordial and friendly atmosphere.

He arranged a luncheon for the guests.

#### **Vice President Departs on Latin America Trip**

*SK1802051794 Pyongyang KCNA in English  
0406 GMT 18 Feb 94*

[Text] Pyongyang, February 17 (KCNA)—A delegation of the Korean Social Democratic Party led by its chairman [and DPRK Vice President] Kim Pyong-sik left here today by air for a visit to Latin American countries.

It was seen off by Kim I-hyon, vice-chairman of the Central Committee of the KSDP.

#### **WPK Hosts Reception for Visiting Thai Delegation**

*SK1802055794 Pyongyang KCNA in English  
0446 GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—The Central Committee [C.C.] of the Workers' Party of Korea [WPK] arranged a reception Thursday for the visiting delegation of the Social Action Party of Thailand headed by Deputy Leader Bunphan Kaeowattana.

In his speech at the reception, secretary of the C.C., the WPK Hwang Chang-yop warmly welcomed the delegation visiting Korea to celebrate the birthday of the dear leader Comrade Kim Chong-il.

He said, "frequent visits between us will deepen mutual understanding and friendship and further promote friendly relations between our two parties and two peoples. We are glad to have such good friends as you in Southeast Asia and are always deeply interested in the activities of your party."

"We wish your party new success in the activities for social justice and progress, peace and security in Asia," the secretary said.

"Our party will strengthen its relations of friendship and cooperation with the Social Action Party of Thailand and closely cooperate with you for an independent, peaceful Asia in the future, too," he stated.

In his speech, deputy leader Bunphan Kaeowattana said the Workers' Party of Korea is a great party which has brought a happy life to the Korean people.

"It is the greatest fortune for the Korean people to have President Kim Il-song, the great leader, and His Excellency Kim Chong-il, the dear leader," he said, adding that the two outstanding leaders have provided the Korean people with a happy life today.

He said his party and the Workers' Party of Korea forged good relations long ago and have developed them.

The friendly relations between the two parties are good for a favorable development of the friendly relations between the two countries and two peoples, he said.

#### **Japanese Delegation Publishes 'Travel Notes'**

*SK1802054594 Pyongyang KCNA in English  
0419 GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—The collection of travel notes "Visit to the Democratic People's Republic of Korea" has been brought out in Japan.

The book contains travel notes written by the members of a delegation of the Aomori Prefecture Solidarity Committee of Japan for supporting Korea's reunification who visited Korea last year and photographs taken by them.

Reitaburo Sagawa, who led the delegation, in his travelogue says the DPRK has registered phenomenal achievements under the wise guidance of the great leader President Kim Il-song. The policy of believing in the masses and relying upon them is the driving force of socialist construction in the DPRK, he notes.

He states that the policy centred on the masses in Korea proves the superiority of socialism.

"The demand of the International Atomic Energy Agency for a 'special inspection' of the military sites of the DPRK, is, no doubt, based on the manoeuvres of the United States, Japan, etc. The United States seeks in this to keep its forces in South Korea for a long period and disarm the DPRK," he says.

#### **Foreign Leaders Greet Kim Chong-il on Birthday**

*SK1802103994 Pyongyang KCNA in English  
1021 GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—The dear leader Comrade Kim Chong-il received messages of



greetings from heads of state and party leaders of different countries on the occasion of his birthday.

The messages came from President of the Arab Republic of Egypt Muhammad Husni Mubarak, President of the State of Palestine and Chairman of the Executive Committee of the Palestine Liberation Organization Yasir 'Arafat, President and Head of State of the Republic of Equatorial Guinea and Commander-in-Chief of Armed Forces Obiang Nguema Mbasogo, General Secretary of the Mongolian People's Revolutionary Party B. Dashyondon, Convenor of the Central Committee of the Socialist Party of Bangladesh Khalequzzaman Bhuiyan, General Secretary of the Central Committee of the Socialist Party of Workers and Peasants of Bangladesh Nir Mal Sen, First Secretary of the Central Committee of the Communist Party of Ukraine Pyotr Simonenko, General Secretary of the Movement for Peace and Socialism of Italy Roberto Gabriele and Chairman of the Romanian Party for New Society Victor Voichita.

The messages extended warmest congratulations to Comrade Kim Chong-il and wished him long life in good health.

They expressed the belief that the relations of friendship, cooperation and solidarity between their countries and Korea and between their parties and the Workers' Party of Korea would further strengthen.

#### **Mass Gymnastic Display Held**

*SK1802055494 Pyongyang KCNA in English  
0434 GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—The mass gymnastic display "Party's Care Will Be Eternal" now being performed in celebration of the birthday of the dear leader Comrade Kim Chong-il from February 16 is evoking great repercussions upon foreigners.

The display performed by the Pyongyang school youth and children composed of the scenes "We Will Win Because You Are Leading Us", "The Intimate Name", "We Are Happy in His Bosom", "Let Us Uphold Our Party" and "Singlehearted Loyalty and Filial Piety".

It successfully depicts the single heart of intense loyalty of the Korean people extending highest honour and wishing a long life and good health to Comrade Kim Chong-il who is enjoying a unanimous respect and admiration and absolute support and trust from the revolutionary people over the world.

Executive Secretary General of the C.C. [Central Committee], the Communist Party of Uruguay Pedro Balbi said the display can be performed only by the youth and children of Korea, stressing the unified rhythm and correct action of the performers were surprising.

"The mass gymnastic display of Korea is a grand performance going beyond human imagination. This is a most splendid masterpiece that people all over the world should see", he said.

Prof. of Economics Takao Kamakura of Saitama University of Japan who is also director of the board of the International Institute of the Chuche Idea noted that the mass gymnastic display is a masterpiece of worldwide significance and a work representing the times.

"We saw in the bright faces and movements of the performers the invariable faith and will of the Korean youths who are determined to uphold and follow His Excellency Dear Kim Chong-il to the end," he said.

National leader of the Communist Party of Canada (M-I) Hardial Bains stressed such wonderful work as the mass gymnastic display of Korea can be seen nowhere in the world.

"Seeing the performers joyfully displaying their talents I could deeply feel that Korea's children are very happy in the bosom of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and that their future is already promised," he said.

#### **Collection of Kim Il-song's Works Published**

*SK1802103694 Pyongyang KCNA in English  
1017 GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—The Workers' Party of Korea publishing house recently brought out the collection of works of the great leader President Kim Il-song "For the Implementation of the Theses on the Socialist Rural Question" Vols. I-II.

The collection was issued on the lapse of 30 years since the theses on the socialist rural question was published.

Volume I contains 14 works published by President Kim Il-song in the period from February 1964 to January 1974, and Volume II 21 works published in the period from November 1974 to June 1990.

In the famous works "Theses on the Socialist Rural Question in Our Country," "Some Problems Arising in the Complete Implementation of the Theses on the Rural Question," etc. President Kim Il-song comprehensively explained the need and significance of a successful implementation of the unique theses on the socialist rural question and the fundamental principles, tasks and ways to solve the rural question.

The role and duty of the county in socialist rural construction and ways for their successful fulfilment are also clarified in the works.

Consummated in the collection of works are scientific answers to all problems arising in successfully implementing the theses on the socialist rural question and giving full play to its validity and vitality such as provision of cultural benefits at state expenses and social security for cooperative farmers and improvement of the farmers' living standard through the implementation of popular measures of the party, consolidation of the



socialist rural base and strict application of the *chuche* method of farming suited to the specific conditions of Korea.

**Anniversary of Chuche Idea Proclamation Marked**  
*SK1802103894 Pyongyang KCNA in English*  
1012 GMT 18 Feb 94

[Tex.] Pyongyang, February 18 (KCNA)—Papers here today carry articles on the lapse of 20 years since the dear leader Comrade Kim Chong-il proclaimed the programme of modelling the whole society on the *chuche* idea on Feb. 19, 1974.

This was a proud event in which the *chuche* idea was declared a great guiding idea of the socialist cause in the present time, the author of a NODONG SINMUN article says.

The dear leader Comrade Kim Chong-il is quoted as saying:

"...The idea, theory and method of *chuche* founded by the great leader are the most correct ones for the guidance of the building of socialism and communism in our time."

The article continues:

The dear leader Comrade Kim Chong-il developed and enriched the *chuche* idea with his energetic ideological and theoretical activities, comprehensively reviewed the history of the preceding revolutionary thought of the working class and scientifically analysed the rich experience of the Korean revolution and the historical lessons of the socialist movement. On this basis, he formulated the *chuche* idea in an integral system so that it could shine as the guiding idea of our time.

He proclaimed the programme of modelling the whole society on the *chuche* idea and made the *chuche* idea the flawless guiding idea of the age of independence. This was a great event which brought about a new turn in the development of socialist thought and its cause.

This was also a historic milestone in heralding a new epoch in the history of human thought and a historic turning point in placing our socialism on a firmer ideological and theoretical basis.

The proclamation of programme by Comrade Kim Chong-il is a great exploit which makes it possible to successfully build socialism on the basis of the *chuche* idea.

It is a programme of advancing the revolution with the revolutionary idea of the great leader Comrade Kim Il-sung, the *chuche* idea, as the guiding principle and build and perfect communist society on the basis of this idea. With this programme declared, it was clarified for the first time in history that the course of building

socialism and communism is a course of implementing the leader's revolutionary idea and modelling the whole society on it.

In the history of the communist movement spanning one hundred and dozens of years, no party had ever raised the modelling of the whole society on the leader's revolutionary idea as the programme of building communism. This great revolutionary programme could be propounded only by Comrade Kim Chong-il who has a *chuche* outlook on the revolutionary cause of the working class and unfailing loyalty to the leader's cause.

Definite priority should be given to the remoulding of people in order to raise their consciousness of independence and creative ingenuity and, on this basis, nature and society be transformed. This is the true path of building communism indicated by the *chuche* idea and that is what the modelling of the whole society on the *chuche* idea means.

The programme of modelling the whole society on the *chuche* idea is a most scientific programme clarifying the way of fully realising the independence of the popular masses, the makers of history, and an immortal revolutionary banner under which to resolutely defend the socialist cause and bring it to accomplishment under any circumstance.

The unity of our society in ideology and purpose on the basis of the *chuche* idea has been immensely strengthened, a true model of socialism based on singlehearted unity been built, the ages-old idea of the popular masses been put into reality and their independent life been ensured through the transformation of all spheres of social life as required by *chuche*. These are great achievements made in the course of modelling the whole society on the *chuche* idea.

The programme of modelling the whole society on the *chuche* idea is a historical cause which can be successfully accomplished only by Comrade Kim Chong-il who has intense loyalty to the *chuche* cause, iron will and faith to carry out the revolution with *chuche*-based ideas and theories and clairvoyant wisdom and outstanding leadership ability.

He was the first in history to propound the perfect revolutionary programme embodying the guiding idea of the time and wisely guide the efforts to implement it, setting a brilliant example of socialist construction. This is a great and imperishable exploit of his for the people's cause of independence.

### South Korea

**DPRK 'Likely' To Link Inspections With U.S. Talks**

*SK1702233194 Seoul KBS-1 Radio Network in Korean*  
2304 GMT 17 Feb 94

[By Cha Man-sun from Vienna]



[Text] With its acceptance of full-scope [chonmyon] inspections of seven declared facilities, North Korea is likely to determine the timing for the arrival of the International Atomic Energy Agency [IAEA] inspection team by linking it with the result of North Korean-U.S. contacts in New York.

A high-level IAEA official expressed concern that inspections may not be carried out as scheduled as North Korea's issuing of visas has been delayed even though an IAEA inspection team is waiting to begin inspections from next week when the IAEA Board of Governors' Meeting is slated to be opened.

The official, however, revealed that he expects North Korea to issue visas for inspectors soon so that inspections can be carried out early next week, now that North Korea has accepted full-scope [chonmyon] inspections.

**U.S., ROK Reportedly Agree on Talks Strategy**  
*SK1802013794 Seoul YONHAP in English 0126 GMT*  
18 Feb 94

[Text] Washington, Feb. 17 (YONHAP)—South Korea and the United States reaffirmed Thursday that resumption of inter-Korean dialogue is a prerequisite to the next round of North Korea-U.S. high-level talks. The high-level talks would have to completely resolve the North Korean nuclear dispute including special inspection of suspected facilities yet to be opened to the IAEA, they agreed.

This would entail a "comprehensive" solution to the problem, with full-scale nuclear inspections allowed by Pyongyang in exchange for permanent suspension of the South Korean-U.S. military exercise "Team Spirit" and improvement in North Korean-U.S. relations.

Visiting Foreign Minister Han Sung-chu and U.S. officials confirmed there was no change in requirements for the high-level talks—satisfactory nuclear inspections by the International Atomic energy agency (IAEA) in North Korea and substantial progress in inter-Korean talks such as an exchange of presidential envoys. Han is carrying a personal letter from President Kim Yong-sam which will be delivered when the foreign minister meets President Bill Clinton on Friday, just before his departure for Seoul.

While stating that the Seoul-Washington agreement reached at last November's summit calls for a "thorough and broad" approach to solving the North Korean nuclear problem, President Kim is said to have reiterated that the two Koreas must exchange envoys before the North Korea-U.S. meeting.

"The two countries concluded that North Korea's acceptance of IAEA inspections has allowed efforts to continue to solve the problem through dialogue," said Director-General for American Affairs Chang Chae-yong, accompanying Han in the United States.

"We concluded that our strategy of dialogue pursued under close consultations between South Korea and the United States is leading in the right direction," He said after Han's talks with U.S. Assistant Secretaries Peter Tarnoff and Lynn Davis.

Pyongyang ended a lengthy stalemate Tuesday when it announced it would accept IAEA inspection of all of its seven declared sites. An IAEA inspection team is expected to arrive in North Korea early next week and start two to three weeks of checks on whether Pyongyang has diverted nuclear material since the last inspection a year ago.

Han meets U.S. Trade Representative Mickey Kantor later in the day to discuss bilateral economic issues and South Korea's participation in the North American Free Trade Agreement (NAFTA). He delivers a keynote speech at the opening of the South Korea-U.S. 21st Century Council on Friday morning before leaving for Seoul.

**Papers on DPRK Acceptance of Inspection**  
*SK1802100894*

[Editorial Report] The following is a compilation from 17 February ROK vernacular newspapers on reaction to North Korea's acceptance of nuclear inspections by the International Atomic Energy Agency (IAEA) and prospects for future developments in this issue. This topic is covered extensively by the vernacular press with CHOSON ILBO, TONG-A ILBO, HANGUK ILBO, KYONGHYANG SINMUN, SEOUL SINMUN, and HANGYORE SINMUN all carrying editorials and articles analyzing future development prospects.

#### REACTION

The moderate CHOSON ILBO, TONG-A ILBO, and HANGUK ILBO newspapers carry 800-word editorials on page 3 welcoming North Korea's acceptance of the IAEA nuclear inspections but caution that although the emergency atmosphere has dissipated on the Korean peninsula due to North Korea's acceptance of nuclear inspection, it is too early in the negotiation process to expect too much from North Korea.

Pointing out that "the nuclear issue began with the IAEA's demand for special inspections [tukpyol sachal]," the CHOSON ILBO editorial entitled "No More Nuclear Games," says that "ad hoc and ordinary inspections [imsi mit tongyang sachal] on seven declared facilities are meaningless" and that "the developments in the nuclear issue will only be possible following special inspections." The editorial warns that if North Korea accepted the inspections to avoid UN Security Council's sanctions, it will only add to its image of being "an impossible country to deal with" and urges North Korea to keep in mind the "economic benefits" that are to be gained from the resolution of the nuclear issue. The editorial concludes by telling readers to wait until North



Korea accepts special and mutual inspections [sangho sachal] between the North and the South.

The moderate TONG-A ILBO editorial entitled "Still a Long Way To Go To Resolve North Korea's Nuclear Issue" chimes in with CHOSON ILBO by saying that "real negotiations begin when the issues of special inspection on two undeclared facilities and mutual inspections [sangho sachal] between the North and the South are discussed at the third round of the U.S.-North Korea talks," but adds that developments prove that North Korea only takes action when faced with "resolute measures [tanohan taccho]."

The moderate HANGUK ILBO editorial entitled "While Catastrophe Has Been Avoided on the North Korean Nuclear Issue" says that "although North Korea's avoidance of catastrophe and economic sanctions is to be praised, ...this does not mean a complete resolution of the nuclear issue." The editorial urges the government to be fully prepared for North Korea's tricks as the sudden change is part of a "meticulous, premeditated plan."

HANGUK ILBO's 800-word article by Paris correspondent Han Ki-pong on page 2, in analyzing the implications of the long drawn-out negotiations process, says that "no progress has been made from the starting point of negotiations a year ago," but that the resolution of conflict between North Korea and the international community is important in and of itself.

HANGUK ILBO carries an 800-word article by Choe Kyu-sik on page 4 on the ROK Government's view on North Korea's acceptance of nuclear inspections. While finding North Korea's decision "fortunate and welcoming," the government expressed its position that it is too early to be optimistic. The article says that the government hopes to have meaningful development in working-level contacts concerning the exchange of special envoys and to lead North Korea to completely return to the Nuclear Nonproliferation Treaty [NPT] system following a successful third round of U.S.-North Korea talks regarding the special inspections [tukpyol sachal] of the two undeclared facilities. While the government does not interpret North Korea's acceptance of inspections to mean complete abandonment of nuclear development, it is not being interpreted as "a temporary step" to get out of the recent emergency situation, but as one official put it, "a meaningful breakthrough." This official is said to have noted that "it is a considerable development that North Korea accepted ad hoc inspections [imsi sachal] on two facilities when it had only allowed replacement of batteries and films."

On page 5, HANGUK ILBO carries a 700-word article by Yu Sang-u noting the two interpretations among relevant government officials on North Korea's acceptance of inspections: One, that it is part of a long-term negotiation strategy, and two, that there has been a sudden change in power structure within North Korea. Supporters of the former theory feel that North Korea's

concession was planned to prevent the resumption of Team Spirit and that "it may be short-sighted to analyze that North Korea changed its attitude because it felt pressured by the 21 February deadline." Those who support the latter view note that while the declaration to withdraw from the NPT and the proclamation of a semi-war state in North Korea were done in Kim Chong-il's name, measures to settle the situation have been done in Kim Il-sung's name. The article speculates that Kim Il-sung may have chosen to involve himself in the settlement process after judging Kim Chong-il's management of diplomatic and economic affairs to have failed and concludes by saying that the issue of succession of power remains uncertain.

The moderate KYONGHYANG SINMUN in Korean publishes on page 3 an 800-word editorial entitled "The Problem of Inspections on North Korea's Nuclear Facilities Starts Now." The editorial welcomes North Korea's acceptance of IAEA nuclear inspections as evidence that North Korea wants to avoid serious confrontation with international society due to the nuclear issue. The editorial reports, however, that "the problem is how sincerely North Korea will accept IAEA inspections in the future," noting that there have been differences of opinion between the IAEA and North Korea regarding procedural matters on inspections, including its form and scope.

Noting that North Korea's acceptance of IAEA nuclear inspections is "nothing but a beginning" and "it is no more than returning to the situation one year ago when North Korea declared its withdrawal from the Nuclear Nonproliferation Treaty, NPT," the editorial stresses that "in a sense, North Korea's acceptance has no new, special meaning other than just the start of discussions on the North Korean nuclear issue."

The editorial urges North Korea to allow the IAEA to inspect all nuclear facilities, including undeclared sites in Yongbyon and, at the same time, stresses the need for the United States and the IAEA to continue negotiations with Pyongyang "with a consistent principle." The editorial concludes that "the government should realize that if it continues its policy toward North Korea and its nuclear policy with an irresolute and inconsistent attitude, the people's unrest will intensify."

The pro-government SEOUL SINMUN in Korean publishes on page 3 an 800-word editorial entitled: "North-South Dialogue Should Also Be Resumed." While defining North Korea's acceptance of nuclear inspections this time and the IAEA's announcement to send its inspection team to Pyongyang soon as "a dramatic solution," the editorial notes that North Korea failed to mention if the two undeclared sites in Yongbyon—which are under suspicion of storing liquid and solid nuclear fuel—will be inspected this time. The editorial analyzes that North Korea's acceptance does not mean a solution to the North Korean nuclear issue, but means a start to its solution, stressing that success of the issue depends entirely on North Korea's attitude.



The editorial notes that "now that North Korea has agreed to IAEA full-scope inspection, the only remaining problem is to resume a meaningful dialogue between North and South Korea to discuss mutual inspections between the North and the South to confirm denuclearization of the Korean peninsula."

The editorial concludes that North Korea, which has thus far adhered to dialogue with the United States, should correctly understand the need for North-South dialogue, adding that "North Korea should be aware that the improvement of its relations with the United States cannot be achieved without South Korea's consent."

The left-leaning HANGYORE SINMUN in Korean publishes on page 3 an 800-word editorial entitled: "The North Korean Nuclear Issue Has Passed the Crisis Stage." The editorial notes that North Korea's decision on 16 February to accept the IAEA demand for nuclear inspections is a "blitzkrieg" decision and that "with this the North Korean nuclear issue, which was heading toward a crisis stage, was defused for a while."

Enumerating the ominous moves of the recent months in connection with the North Korean nuclear issue—such as tense North Korean-IAEA relations, the dispatch of a U.S. national intelligence team to South Korea, the announcement of U.S. plans to deploy Patriot missiles and Apache helicopters to South Korea, the plan to resume the Team Spirit exercise, the preparations for referring the North Korean nuclear issue to the UN Security Council, and North Korea's reactions to these moves—the editorial notes that "these were indeed shocking moves for those directly related to the nuclear issue and who live in the southern part of the peninsula." The editorial then appraises our government's efforts to prevent a crisis of war on the peninsula, indicating Foreign Minister Han Sung-chu's recent meetings with U.S. Government officials. The editorial expresses the hope for a peaceful solution to the nuclear issue.

HANGYORE SINMUN publishes on page 2 a 900-word article by Kim Tae-ho analyzing the prospects for the North Korean nuclear issue in the wake of North Korea's acceptance of IAEA inspections. Quoting an official concerned at the National Unification Board, NUB, as commenting that "now the first button has been fastened," the article reports that the NUB official's comment has two implications: One is that negotiations for the nuclear issue as a whole will be smoother in the future and the other is that North Korea's acceptance is just a new start.

The article stresses that the resumption of North-South dialogue depends on whether the Team Spirit exercise is suspended. The article also analyzes that North Korea will probably demand not only the suspension of the exercise, but also the renouncement of the international cooperative system against North Korea in connection with the nuclear issue in return for the realization of exchanges of North-South special envoys. The article stresses the need not to persistently adhere to a solution

of the nuclear issue as we see it today, but to first promote economic and personnel exchanges between the North and the South.

### PROSPECTS

The moderate HANGUK ILBO in Korean carries on page 4 a 1,000-word article by Yi Sung-u on prospects for North-South relations following North Korea's acceptance of nuclear inspections. Noting that the ROK Government is busy preparing necessary actions for resumption of North-South contacts, the article reports the government is optimistic that contacts will be resumed and yet assumes a prudent attitude that no significant progress will be made soon.

The article notes that as North Korea employed a foot-dragging tactic, the government assumed a flexible attitude in accordance with North Korea's reactions. Recalling that unification-related ministers met on 25 January and confirmed the government position that the nuclear impasse will be broken only when the North fully returns to the NPT, accepts substantial inspections by the IAEA, and basically agrees on South-North mutual nuclear inspections, the article predicts "chances are high that the government will flexibly readjust its stance in accordance with how IAEA inspections and North Korean-U.S. contacts will proceed."

The moderate HANGUK ILBO in Korean on page 3 carries a 1,000-word article by Washington-based correspondent Chong Chin-sok on prospects for North Korean-U.S. relations. The article reports "North Korea's acceptance of nuclear inspections does not mean that nuclear transparency has been guaranteed. However, the North Korean nuclear issue has entered a new stage in which chances for a crisis on the Korean peninsula have been diminished to some extent and the safety-valve of the nuclear issue has been sealed."

The article reports that there are numerous diplomatic, political, and legal obstacles that should be overcome for the promotion of North Korean-U.S. relations. The article predicts that even if high-level U.S.-North Korean dialogue is resumed, there is a great possibility that relatively slow progress will be made in the issues of suspending the Team Spirit exercise and promoting ties because the nuclear issue has not been cleared from the agenda.

The moderate CHOSON ILBO carries on page 3 a 1,200-word article by Pak Tu-sik entitled "How Things Will Turn Out After North Korea's Acceptance of Nuclear Inspections." Noting that North Korea has defused the crisis over the nuclear issue by accepting IAEA inspections, the article predicts that North Korean-U.S. negotiations or North Korean-Japanese negotiations will start in the first half of this year if progress is made at the third round of U.S.-North Korean talks.



The article questions if inter-Korean contacts for the exchange of special envoys can take place smoothly. The article points out that the "two sides should lower the level of their demands."

The moderate TONG-A ILBO in Korean carries on page 2 an 1,200-word article by Nam Chan-chong entitled: "How the Third U.S.-DPRK Talks Will Evolve."

Noting the future obstacles of U.S.-DPRK talks, the article reports that "to remove these obstacles, North Korea must allow the IAEA inspection team to inspect thoroughly its seven reported nuclear facilities and the exchange of special envoys between the North and South must be carried out."

The article reports that "the ROK and the United States will announce the suspension of the Team Spirit exercise this weekend when the IAEA inspection team arrives in Pyongyang," noting an agreement reached between North Korea and the United States at their 18th working-level contact held in New York on 29 December 1993.

Referring to the U.S. deployment of Patriot missiles to South Korea as a new agenda item in the negotiations between North Korea and the United States, the article reports: "Although the United States says that it will deploy Patriot missiles to South Korea for defensive purposes, Pyongyang will make it a issue at the meeting with the U.S. side." Noting the possibility of the U.S. cancellation of its plan to deploy the Patriots, the article reports that "Foreign Minister Han Sung-chu has said that the ROK and the United States decided to discuss it after 21 February."

TONG-A ILBO carries on page 3 an 1,000-word article by Pak Che-kyun entitled: "The Situation After North Korea's Acceptance of Nuclear Inspection." Referring to the ROK role in North Korean-U.S. talks and in North Korean-IAEA contacts, the article reports: "The resumption of North-South dialogue is getting closer as the IAEA inspection team is allowed to travel to North Korea this weekend."

Referring to the need to settle the simultaneous North-South inspection issue by the North and South themselves after IAEA special inspections are conducted, the article urges the government to actively strengthen cooperation with the United States to make North Korea aware of the importance of the improvement of North-South relations in order to improve U.S.-North Korean relations. The article continues that "some government officials say that the government must show its new negotiating card, such as the North-South economic cooperation card, to realize North-South dialogue."

TONG-A ILBO carries on page 3 a 900-word article by Kim Cha-su entitled: "The Background and Prospects of North Korea's Acceptance of Nuclear Inspections." The article reports: "It is very successful to confirm North Korea's attitude to resolve the nuclear issue through dialogue," referring to the government's preparations to

respond to North Korea's acceptance of nuclear inspections. Noting the background of North Korea's acceptance of the nuclear inspections, the article reports that "North Korea accepted the inspections a day before Kim Chong-il's birthday, and that this is intended to attract international recognition of the Kim Chong-il power system by creating an atmosphere in which North Korea gives a gift to the international community."

TONG-A ILBO carries on page 4 a 400-word article by Yi Chin-yong entitled: "The Prospects for IAEA Nuclear Inspection of North Korea." Referring to the need to inspect the two undeclared nuclear facilities in Yongbyon to clearly dispel the suspicion of North Korea's nuclear weapon development, the article reports that "this issue is likely to be discussed at the upcoming U.S.-DPRK high-level talks." Noting the background of North Korea's refusal to accept IAEA inspections and its decision to withdraw from the NPT, the article concludes that "it will take a long time to even confirm the result of the inspections. Therefore, it is too early to be optimistic over the North Korean nuclear issue."

The leftist-leaning HANGYORE SINMUN in Korean carries on page 3 an 1,000-word article by Pak Chong-mun entitled: "North Korea, South Korea, and the United States Stopped at the Edge of a Precipice." Referring to Vice Foreign Minister Hong Sun-yong's remarks that "North Korea's acceptance of the IAEA nuclear inspection is only the beginning to the resolution of the nuclear issue," the article points out several complicated problems in the settlement of the North Korean nuclear issue.

Referring to the IAEA upcoming inspections as an opportunity for maintaining the continuity of nuclear safeguards and for guaranteeing the transparency of future nuclear inspection activities, the article predicts that "North Korea will cooperate with the IAEA inspection team in order to improve relations with the United States in the future."

#### **Further on Rumors of Kim Chong-il Injury**

SK1802005494 Seoul YONHAP in English 0046 GMT  
18 Feb 94

[Excerpts] Seoul, Feb. 18 (YONHAP)—A senior South Korean Government official on Thursday denied various press reports that "something has happened" to Kim Chong-il, son and heir-apparent to North Korea's paramount leader Kim Il-sung. Kim Chong-il's conspicuous absence from nationwide celebrations of his 52nd birthday on Wednesday has triggered wild speculation ranging from rumors that he had been wounded in an assassination attempt to reports of his being placed on good behavior by his father.

"Such speculation was probably prompted by his absence from celebrations of his own birthday," the official said. "But it has been their (North Korean) custom that Kim Chong-il doesn't show up for such occasions."



The official, who declined to be identified, noted that Kim Chong-il was also absent from last year's celebration of his birthday.

"As far as we know, the theory that something happened to Kim Chong-il is groundless," he added.

A similar line of thought was expressed in Moscow, where most Russian officials in charge of collecting external information reacted to the reports on Kim Chong-il with incredulity.

"As of this moment, we have not received any information that something has happened to Kim Chong-il," one official said.

"Moreover, the report that he was gravely wounded in a shooting appears to have no foundation whatsoever," he said.

The ITAR-TASS News Agency said it has contacted its Pyongyang bureau to confirm the reports but was unable to receive any information. "A reliable report is bound to come out if we wait a little longer," one official said.

Meanwhile in Los Angeles, Korean-Americans who have close contacts with North Korea also said they have not heard anything untoward had happened to "the dear leader," as Kim Chong-il is commonly called in North Korea and by pro-Pyongyang ethnic Koreans abroad. [passage omitted on background]

Separately, it was reported in Beijing Thursday that Kim Chong-il was placed on good behavior by his father over North Korea's nuclear policy. This report, which quoted an unidentified source in Beijing, could not be confirmed either.

**DPRK Radio Cited on Kim Chong-il's Duties**  
*SK1802011094 Seoul CHOSON ILBO in Korean 18 Feb 94 p 1*

[ "NAEWOE report from Seoul" ]

[Text] On 17 February, North Korea maintained that Kim Chong-il is personally taking charge of the nuclear issue and the affairs concerning North-South dialogue and reunification, thus attracting attention. On 17 February, Pyongyang radio- [pangsong] held that Kim Chong-il is giving guidance to overall state and party affairs and, with his exceptional interest in the reunification issue, is leading the entire nation to the road of reunification.

[Seoul Bureau's review of the 17 February backstop recording of Pyongyang Korean Central Broadcasting Network in Korean revealed no such reports]

**DPRK Envoy at ASEAN-Related Meeting in Bangkok**

*SK1802053094 Seoul YONHAP in English 0519 GMT 18 Feb 94*

[Text] Tokyo, Feb. 18 (YONHAP)—North Korea participated in an Association of Southeast Asian Nations-United Nations workshop held in Bangkok on Thursday, KYODO News Service reported Friday. KYODO quoted a diplomatic source in Bangkok as saying that the North Korean ambassador to Thailand took part in the workshop as an observer, the first time that Pyongyang has participated in an ASEAN-related meeting. At the workshop, 19 countries discussed cooperating with one another in the diplomacy of peace and prevention of disputes.

North Korea has contacted the Thai and other ASEAN member governments about joining their group, and its participation in the workshop may be related to the move, according to KYODO.

Thailand was notified last week of North Korea's desire to participate in the ASEAN-UN workshop, and allowed Pyongyang to take part as an observer after consulting with other nations, KYODO said.

The United States, Japan, Vietnam and China also attended the meeting in addition to the six ASEAN members, but South Korea did not take part, KYODO said.

Meanwhile, a South Korean Foreign Ministry official in Seoul said that the Thai Government had invited South Korea as an observer. But he said he did not understand why Thailand had not invited South Korea, an ASEAN dialogue partner, as a formal attendant.

**Han: Patriot Deployment 'Yet To Be Decided'**  
*SK1802031694 Seoul YONHAP in English 0304 GMT 18 Feb 94*

[Text] Washington, Feb. 17 (YONHAP)—South Korean Foreign Minister Han Sung-chu said Thursday that deployment of Patriot missiles is yet to be decided.

Seoul and Washington are looking into the military need for deploying Patriot missiles in South Korea but have made no decision, Han told reporters after a series of meetings with U.S. Trade Representative Mickey Kantor, Undersecretary of State for Political Affairs Peter Tarnoff and Assistant Secretary of State for Political Affairs Robert Gallucci.

Han made a second stop in the U.S. capital on the last leg of a trip to North American Free Trade Agreement (NAFTA) member countries except Mexico to coordinate joint Seoul-Washington measures on the North Korean nuclear problem.

His remark struck a different note from that of Defense Secretary William Perry, who said he accepted a request for the Patriot missiles by Gen. Gary Luck, commander



of U.S. Forces in South Korea, and was currently discussing the timing and means of transport with the Seoul Government.

The foreign minister said he expressed opposition to Washington's move to reauthorize the much-feared Super 301 trade legislation, which requires the USTR to identify and act against nations that erect barriers to U.S. goods and services, in retaliation for a broken trade agreement with Japan.

Kantor said that no action has been taken, with a decision to be made after watching developments in the Washington-Tokyo trade framework negotiations, Han told reporters.

Han said Korea would likely be excluded from the priority watch country list on intellectual property rights violations. He added that he might meet President Bill Clinton on Friday before boarding a flight to Seoul later in the day.

Predicting resumption of inter-Korean dialogue in "the near future," Han reiterated that the third round of Pyongyang-Washington high-level talks would be possible only after full nuclear inspections and an exchange of envoys by the two Koreas. However, he added that under certain conditions, the date for the third round may be set and revealed earlier, hinting that Washington could announce the date in advance once International Atomic Energy Agency (IAEA) inspections begin and inter-Korean contact resumes.

**Foreign Minister's U.S., Canadian Trip Assessed**  
*SK1802081994 Seoul YONHAP in English 0754 GMT*  
*18 Feb 94*

[Report by Yi Tong-min]

[Text] Seoul, Feb. 18 (YONHAP)—South Korean Foreign Minister Han Sung-chu can return from his U.S. visit confident that his strategy was right, giving him more self-assurance in dealing with future twists and turns in the North Korean nuclear question.

Luck was on his side. He went to Washington uncertain how much longer he could insist on dialogue to resolve the nuclear issue. When he left Seoul, a nagging fear of war was spreading here and hard-liners were demanding action, not negotiations, against North Korea.

The nuclear issue was on the brink of being tossed to the U.N. Security Council, which likely would have initiated steps for sanctions against North Korea.

Then Pyongyang announced this week it would accept International Atomic Energy Agency (IAEA) inspections—after a one-year hiatus—of seven sites.

The announcement helped turn the mood around. South Korea and the United States confirmed during Han's visit that they would continue with dialogue.

This stroke of luck eventually proved that the foreign minister's insistence on a diplomatic solution was the right choice. The "experience" and success gained should prove invaluable for the new administrations in Seoul and Washington, for whom the row was the first major hands-on encounter with the unpredictable North Korean regime.

With a changed mood and heightened confidence, the foreign minister and U.S. officials sat down to chart their future course.

They focused not only on deterring North Korea's nuclear development but on preventing Pyongyang's nuclear card from getting out of hand.

Seoul and Washington's conclusion was to stick to their principles and seek a package solution. As far as principles, North Korea must allow unrestricted IAEA inspections and engage in meaningful dialogue with South Korea on denuclearization.

To stop North Korea from prolonging the situation, the two countries agreed to resolve the nuclear problem in its entirety at the next North Korea-U.S. high-level talks in exchange for improved political and economic relations.

With their initial success and added credibility to trumpet, they must nonetheless begin anew their wrestling with North Korea.

The sour note to Han's U.S.-Canada visit was the overshadowing of its original purpose—strengthening relations with members of the North American Free Trade Agreement (NAFTA).

Han's visit to Mexico was canceled at the last minute, and his meetings with trade officials in Canada and Washington were played down in comparison to the nuclear negotiations. But the foreign minister was still able to register his country's concern that the regional trade agreement should not discriminate against non-members, asserting that South Korea wants to participate in NAFTA in the long run.

Han and Canadian Foreign Minister Andre Ouellet agreed on a "special partnership" to cement bilateral trade relations. In Washington, Han conveyed Seoul's worries that any return of the U.S. Super 301 trade legislation could throw cold water on their economic ties. But the highlight, obviously, was the breakthrough in the nuclear impasse.

**Newspaper Details 17 Feb Anti-U.S. Demonstrations**

*SK1802045494 Seoul HANGUK ILBO in Korean 18 Feb 94 p 30*

[Text] At around 1500 on 17 February, approximately 200 university students of the National Federation of General Student Councils [Hanchongnyon] staged a demonstration for 20 minutes in front of Gate One of the 8th U.S. Army base in Namyeong-tong, Yongsan District,



Seoul, and demanded the cancellation of the U.S. plan to deploy Patriot missiles on the Korean peninsula and its strategy to aggravate tension on the Korean peninsula. All the students were taken to the police station.

Also, at around 0730 that day, approximately 250 university students of the Kwangju-South Cholla Provincial Federation of General Student Councils [Namchongnyon] staged a demonstration in front of the Kwangju American Center in Yangnim-tong, So District, Kwangju and expressed their opposition to nuclear inspections of North Korea.

Also, at around 0740 that day, approximately 40 students staged a demonstration in front the American Center in Samdok-tong, Chung District, Taegu. The students threw paint cans at the American Center and fled.

#### Further on 17 Feb Demonstrations

*SK1802053794 Seoul SEOUL SINMUN in Korean 18 Feb 94 p 23*

[Text] Approximately 250 university students of Chonnam and Choson Universities and other universities who are members of the Kwangju-South Cholla Provincial Federation of General Student Councils [Namchongnyon] staged a demonstration in front of the Kwangju American Center in Yangnim-tong, So District, Kwangju, for thirty minutes from around 0730 on 17 February. They chanted such slogans as "Let us drive out the United States, which is plotting to provoke a war on the Korean peninsula!" and opposed unilateral nuclear inspections of North Korea.

Also, approximately 50 university students staged a demonstration at 0740 that day in front of the Taegu American Center in Samdok-tong, Chung District, Taegu, and chanted a slogan that says "We oppose the United States, which aggravates tension on the Korean peninsula."

**Kim Yong-sam To Visit Japan, China Late March**  
*SK1802020194 Seoul YONHAP in English 0146 GMT 18 Feb 94*

[Text] Seoul, Feb. 18 (YONHAP)—President Kim Yong-sam will make state visits to Japan from March 24-26 and to China from March 26-30, the presidential office Chongwadae announced Friday. The visits are aimed at seeking a new post-Cold War order in Northeast Asia and holding consultations on the North Korean nuclear problem.

This will be the second summit for Kim and Japanese Prime Minister Morihiro Hosokawa covering political and trade issues. They met last November in the southern South Korean city of Kyongju, with next month's summit to follow up on issues covered then

including regional cooperation and prosperity and multilateral ties such as the Asia-Pacific Economic Cooperation (APEC). They are certain to address the North Korean nuclear dispute, exchanging views on the latest developments.

Kim will attend a welcome dinner hosted by Emperor Akihito and deliver a speech before the Japanese Diet.

The South Korean president heads to Shanghai on March 26 for a weekend stay, when he will tour sites that once housed the Korean government-in-exile during Japan's colonial rule of 1910-45. He is to arrive in Beijing the following day for talks with Premier Li Peng on furthering bilateral relations. Kim will also make an address at Beijing University during his visit.

Kim's Predecessor No Tae-u traveled to China, but this will mark the first time that a South Korean leader has been received on a state visit. Seoul and Beijing normalized relations in August 1992.

Senior presidential aide for diplomacy and national security Chong Chong-ok explained that Kim will discuss achieving friendly and cooperative ties with the two countries that are close to South Korea both historically and geographically.

"The visits will provide opportunities to settle on a multilateral security dialogue forum in the region and to strengthen bilateral political and security cooperation," Chong said.

First Lady Son Myong-sun will accompany her husband on the visits.

#### Goals of Trip Discussed

*SK1802101894 Seoul YONHAP in English 0843 GMT 18 Feb 94*

[Report by Kim Myong-chol]

[Text] Seoul, Feb. 18 (YONHAP)—President Kim Yong-sam's visits to Japan and China in March are designed to cement cooperation with the two powerful neighbors, serving to promote peace on the Korean peninsula and enhance Seoul's status to better prepare for a new order in Northeast Asia.

Just as cooperation with the four major world powers—the United States, Japan, China and Russia—is important to security on the Korean peninsula, so is cooperation with Japan and China vital to the growth of the Asia-Pacific Economic Cooperation (APEC) forum as a driving force for regional cooperation and prosperity. Kim is visiting Tokyo and Beijing to strengthen such cooperation. It is significant that Kim is meeting the leaders of these two countries when a new post-cold war order in Northeast Asia is in the making, especially when the North Korean nuclear issue is taking a turn for the better, Chongwadae [presidential office] spokesman Chu Ton-sik says.



Kim's visits will provide an opportunity for him to lay a regional footing upon which to promote peace on the Korean peninsula and build a multilateral dialogue system for regional security, according to other Chongwadae officials.

They will also help create an environment for cooperation among nations in the region, including Japan and China, conducive to a peaceful solution to the North Korean nuclear issue and to improved inter-Korean relations leading to eventual reunification. Kim will likely ask the two countries to play a constructive role in prodding North Korea to emerge from its international isolation and ride the world trend of globalization.

Chong Chong-uk, Kim's senior secretary for Foreign Affairs and National Security, says the visits are part of diplomatic efforts to secure the firm support of China and Japan in attaining peaceful reunification of Korea. They will provide a practical opportunity to build a multilateral dialogue system benefiting security on the Korean peninsula, including solution of the North Korean nuclear issue.

Kim is holding summits with the Japanese and Chinese leaders to discuss a new post-cold war order in Northeast Asia, while talking about nurturing APEC—which is still in an infant stage—as a regional organization.

On the basis of his experience at the first APEC summit in Seattle last November, Kim will focus on how to best develop the forum as a regional engine of economic cooperation in preparation for the second APEC summit slated for November in Indonesia.

In view of Japan and China's emergence as South Korea's second and third largest trade partners—with two-way trade reaching 28.7 billion U.S. dollars and 9.2 billion dollars, respectively, last year, next only to the United States—Kim's trips should lead to increased economic cooperation with the two countries.

Thus, the visits are part of his summit diplomacy aimed at increasing the nation's international competitiveness in an era of tough trade competition unleashed by the Uruguay Round accord.

In China, Kim will taste the fruits of such summit diplomacy, including the signing of a Korea-China aviation treaty. But he is against the hasty conclusion of any economic pacts just to enjoy ceremonial fruit.

In Japan, Kim will promote cultural and educational exchange programs.

Japanese Prime Minister Morihiro Hosokawa promised in a recent telephone conversation with President Kim to increase the number of Koreans studying in Japan under the Japanese Government's scholarship program for foreign students from 100 to 200.

Ambassador to Japan Kong No-myong has raised the issue of opening the country to Japanese arts, especially to Japanese music and films, drawing both positive and

negative opinions from the public. This issue is expected to attract public attention again when Kim visits Japan.

In Japan, Kim will make a speech at the Japanese Diet calling for a forward-looking relationship between the two countries. Whether Kim raises the issue of their unhappy historical relations at the Japanese emperor's dinner remains to be seen, as he wants Japan to settle all pending historical problems. On the other hand, Japan will use Kim's visit to push ahead with its plan to have Emperor Akihito visit Seoul.

In China, Kim will visit the old provisional Korean Government building in Shanghai, meet President Jiang Zemin and Prime Minister Li Peng and speak at Beijing University. The itinerary arranged by Beijing for President Kim is rather exceptional in view of China's traditional relationship with North Korea, Foreign Ministry officials say.

#### **President Visits Taegu, North Kyongsang Province**

*SK1802101994 Seoul YONHAP in English 0935 GMT  
18 Feb 94*

[Text] Taegu, Feb. 18 (YONHAP)—President Kim Yong-sam on Friday reiterated the importance of environmental protection. "As could be seen in the recent contamination of the Nakdong River, keeping water clean is tantamount to preserving our lives," Kim said.

During his new year inspection tour of the Taegu City Hall, the president said that in the preservation of environment, government efforts alone are not enough and all citizens should work as watchers against pollution. Kim suggested that Taegu exert all available efforts to turn the city into an advanced industrial center in the 21st century. "Try to develop new high-tech materials and produce the world's top-quality products," he said.

His tour of Taegu was followed by a similar visit to the North Kyongsang Province administration, where the president urged city officials to work hard to make their office better meet the needs of internationalization.

"There should be sweeping reforms in local administrations. You should work harder in concert with farmers to ensure rural development," he said.

Later in the day, President Kim called at the North Kyongsang Province apple juice plant at Uihong-myon, Kunui County.

#### **Taiwan Imposes Tariffs on ROK Petroleum Goods** *SK1802123894 Seoul YONHAP in English 1132 GMT 18 Feb 94*

[Text] Hong Kong, Feb. 18 (YONHAP)—The Taiwanese Government has decided to impose high temporary anti-dumping tariffs on Korean- and Japanese-produced polypropylene.



The newspaper LIENHAPAO here reported in a dispatch from Taipei Friday that Taiwan Finance Ministry's tariff rates committee on Thursday decided on the tariffs ranging from 110.67 to 6.57 percent on the ground that the polypropylene exported by South Korea and Japan has had a serious effect on the Taiwanese industry. This is the second Taiwanese anti-dumping tariffs on Korean products since diplomatic ties broke up between the two countries in August 1992. Last year, Taipei slapped anti-dumping tariffs on polyethylene cases exported by South Korea.

The report said that the anti-dumping tariffs will be imposed on Korean and Japanese polypropylene as decided by the committee as soon as the decision is approved by the administration, a rather perfunctory procedure. About 20 South Korean and Japanese industries are subject to the assessment of the tariffs, the paper added.

#### **DP Leader Plans To Vote Against GATT Agreement**

SK1802031094 Seoul YONHAP in English 0251 GMT  
18 Feb 94

[Text] Seoul, Feb. 18 (YONHAP)—The opposition Democratic Party [DP] will vote against the Uruguay Round agreement on a new world trade order when it is referred to the National Assembly for ratification because it would make the country's farmland desolate, party chairman Yi Ki-taek said in a policy speech delivered at a legislative plenary session on Friday.

The party cannot approve the market opening schedules the government has submitted to the secretariat of the general agreement on tariffs and trade because they were prepared without consultation with the DP, he told parliament.

Yi then called for scrapping the National Security Law, which he called "a leftover of the Cold War era," and enacting a new law protecting democratic order to replace it.

Commenting on political reforms, he echoed ruling Democratic Liberal Party chairman Kim Chong-pil's call for passage of the reform bills by parliament during its current session.

The redistricting plan being studied by the ruling party should be limited to merging counties into their adjacent cities, and the central government should delegate many of its powers to local governments for effective local autonomy.

The ruling party should not make use of the redistricting plan to achieve its political objectives, he warned.

Yi also called for an immediate summit meeting between North and South Korea, adding, "I believe that even if a summit is out of question now I, in the capacity of the opposition leader, must meet the North Korean leaders to solve inter-Korean issues."

He welcomed North Korea's belated decision to allow international inspections of its nuclear facilities and said, "there still remain problems and the government should make diplomatic efforts to solve the nuclear issue in three-way negotiations among Washington, Pyongyang and Seoul."

Calling for revision of the denuclearization declaration on the Korean peninsula, which bars North and South Korea from possessing nuclear fuel-reprocessing facilities after the settlement of the nuclear issue, Yi said the annual military exercise with the United States, "Team Spirit," must be suspended as it stands in the way of a peaceful solution to the nuclear issue.

The government should give top priority in its economic management plan to fighting rising costs as the people now suffer from runaway inflation, he stressed. He called for the central bank to be independent from the government, tax reforms, amendments to labor laws, a law replacing the emergency presidential order requiring the use of real names in all financial transactions, and measures against water pollution.

The opposition leader urged President Kim Yong-sam to present a clear direction for his reform program and to carry it out lawfully, calling the reforms of the past year "a reform for show and demonstration."



**Burma****NCGUB Welcomes Richardson-San Kyi Meeting***BK1702163894 Oslo Democratic Voice of Burma in Burmese 1430 GMT 17 Feb 94*

[Communique issued by the National Coalition Government of the Union of Burma—dated 17 February]

[Text] The National Coalition Government of the Union of Burma, NCGUB, welcomes the meeting between U.S. Congressman Bill Richardson and Daw Aung San Suu Kyi. This meeting is one of the results of pressures for reform in Burma. The NCGUB also agrees with U.S. Congressman Bill Richardson's proposal for a meeting between Daw Aung San Suu Kyi and the State Law and Order Restoration Council [SLORC]. The NCGUB also firmly believes that the political problems in Burma can only be resolved through a comprehensive political dialogue and calls on the international community to continue pressure on the SLORC until this end is achieved.

**Brunei, Malaysia & Singapore****Malaysia****Mahathir Discusses Bosnia, Free Trade Issues***BK1802080294 Kuala Lumpur BERNAMA in English 0515 GMT 18 Feb 94*

[Text] Kuala Lumpur, Feb 18 (OANA-BERNAMA)—Russia should tell the Bosnian Serbs to withdraw all their heavy weaponry from the whole of Bosnia-Herzegovina and not just Sarajevo, Malaysian Prime Minister Dr. Mahathir Mohamed said today.

Sarajevo is [word indistinct] everything; the whole of Bosnia should be liberated from the Serb (forces) and they should withdraw all their weapons, said the prime minister.

This was to allow the Bosnians to participate in negotiations without being threatened, he added.

He was responding to reporters' questions about a possible Serbo compliance with an ultimatum by the North Atlantic Treaty Organisation (NATO) for the withdrawal of heavy guns around Sarajevo to help bring about a comprehensive solution to the Balkan conflict.

Russia was reported to have asked the Bosnian Serbs to comply with the NATO ultimatum.

Dr. Mahathir was also asked about the likely impact of imminent U.S. trade sanctions against Japan following the failure by both countries to reach a trade agreement.

He said the government was studying it first, at the moment, it was not sure what the effects would be.

But, he said: we agree that while we should open the market for everybody there should not be any numerical

quotas of imports by anybody... You buy what you think is fair and what you need, not on the basis of quota.

As to the possible effects of the U.S.-Japan trade impasse on the recently concluded Uruguay Round of multilateral trade negotiations and the General Agreement on Tariffs and Trade, Dr. Mahathir said the US had withdrawn certain items from what they had agreed to in the Uruguay Round.

This is not a good omen... What is to stop other people from withdrawing items, then there would be no Uruguay Round, no GATT agreement, he added.

**Singapore****U.S. Sanctions Threat Against Japan Criticized***BK1702155194 Singapore BUSINESS TIMES in English 17 Feb 94 p 12*

[Editorial: "Clinton's Folly"]

[Text] The Clinton administration's response to the collapse of the weekend trade talks between the United States and Japan is disturbing news. Threatening trade sanctions against Japan for a transgression of dubious validity, namely, failing to ensure that a U.S. company, Motorola, won a certain quantitative share of the Tokyo cellular phone market is bad enough. To also say, as Mr. Clinton did, that yes, sanctions could trigger a trade war but the United States is "willing to take that risk" borders on recklessness and irresponsibility. Already, stock and currency markets in Asia are reeling. They have nothing whatsoever to do with the U.S.-Japan trade spat. And there are consumers and producers, buyers and sellers, and traders and investors all over our economically interdependent world who would be hit. It is tragic and hugely unfair that their fortunes should be buffeted by willful economic saber-rattling.

The operative word here is willful. According to a NEW YORK TIMES report, the administration's strategy is to create uncertainty and anxiety in Japan so as to drive up the value of the yen and thus pressure the Japanese to return to the bargaining table on American terms. If true, this suggests a cynicism that is misguided and dangerous. It is misguided because, first, a sudden and unexpected appreciation of the yen without consultation with Japan would undermine the effects of the economic stimulus package which the United States Government lobbied for and the Japanese Government worked so hard to deliver. A prolonged Japanese recession is the last thing U.S. producers need if they want to sell more to Japanese consumers. Second, a yen appreciation would indeed raise Japan's export prices and blunt its competitiveness. But there is a downside: Japanese-made parts and components which account for a large proportion of Japan's exports to the United States would also be more expensive. This would undermine the competitiveness of many U.S. industries. Third, even if a stronger yen were a great idea, there is not much sense talking the currency



up without any mechanism to keep it there. The administration's strategy is therefore at best, a short-term gamble. And like many gambles, it could be dangerous. Far from forcing the Japanese to dance to an American tune, it could inflame nationalistic sentiment in Japan and stiffen resolve to resist U.S. pressure. If the conflict then escalates, the Japanese could even be tempted into retaliatory action—and they are not short of options.

For now, good sense seems to have prevailed in Tokyo. Japan has shown no signs of upping the ante. On the contrary, it has said it will take unilateral steps to open its markets—which it must do, because there is truth in much of what the United States is complaining about. But Japan has done the responsible thing by saying it will take its case to the General Agreement on Tariffs and Trade. This is, after all, the rightful place to settle disputes of this sort—disputes that may be bilateral in origin but are in today's world, multilateral in their effects. It is to the Clinton administration's discredit that despite having just recently signed the Uruguay Round, it has chosen to disregard it totally.

### **Cambodia**

#### **Vietnamese Foreign Minister Concludes Visit**

*BK1802095294 Phnom Penh National Radio of Cambodia Network in Cambodian 0400 GMT 18 Feb 94*

[Text] His Excellency [H.E.] Nguyen Manh Cam, the Vietnamese foreign minister, left Phnom Penh, capital of the Kingdom of Cambodia, with his colleagues this morning after concluding a three-day official visit.

During their stay in Cambodia, H.E. Nguyen Manh Cam and his colleagues were received by Samdech Chea Sim, acting head of state and chairman of the Cambodian National Assembly, and held talks with First Prime Minister Prince Krompreah Norodom Ranariddh and Second Prime Minister Samdech Hun Sen of the Royal Government of Cambodia [RGC].

H.E. Nguyen Manh Cam also held talks with his Cambodian counterpart, Prince Kromkhun Norodom Sirivut. The focus was on consolidating and expanding relations between the two countries and peoples of Cambodia and Vietnam, which are based on friendship and good-neighborly cooperation. They also discussed the issue of the Vietnamese immigrants. Unanimous agreement was reached on establishing two mechanisms. The first mechanism is to determine the framework for discussions on the border issue, to make the Cambodian-Vietnamese border a border of long-lasting peace and friendship and to ensure security along the border. The second mechanism is to determine the framework for discussing the Vietnamese immigrants. The two sides also talked about the Mekong committee. They agreed that the exploitation of the Mekong River should be based on consensus and should benefit all of the countries along the river. H.E. Nguyen Manh Cam affirmed

that the Vietnamese Government respects Cambodia's independence, sovereignty, and territorial integrity and wants Southeast Asia to become a zone of peace, stability, and cooperation. On the issues of the border and the Vietnamese immigrants, the two sides agreed to solve these problems peacefully and with mutual consideration, using legal principles as the basis.

During his visit, H.E. Nguyen Manh Cam also signed a memorandum of agreement on economic, science and technology, and cultural cooperation between the RGC and the Vietnamese Government.

Prince Kromkhun Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation; leading Foreign Ministry officials; and various diplomats accredited to Cambodia were on hand at Pochentong Airport to see off the Vietnamese Foreign Ministry delegation.

#### **Memorandum on Border, Settlers**

*BK1802121294 Phnom Penh AKP in English 1000 GMT 18 Feb 94*

[Text] Phnom Penh AKP February 18—Cambodia and Vietnam signed in Phnom Penh Thursday [17 February] a memorandum of understanding on cooperation between the Ministry of Foreign Affairs and international cooperation of Cambodia and the Ministry of Foreign Affairs of Vietnam.

The document was signed by Prince Norodom Sirivut, vice premier and minister of foreign affairs and international cooperation of the Kingdom of Cambodia; and Nguyen Manh Cam, minister of foreign affairs of Vietnam, now on an official visit to Cambodia.

Under the document, the Cambodian and Vietnamese foreign ministers will meet at least once a year to discuss bilateral, regional and international issues.

The meetings will be held alternately in Phnom Penh and Hanoi, according to the document.

The two ministers also agreed to discuss the problem of border demarcation. "We agreed with each other [words indistinct] the mechanism, the framework, and we would like to discuss this problem", Cambodia foreign minister Prince Norodom Sirivut was quoted by AFP as saying Wednesday.

"Other items to be discussed were the issue of Vietnamese settlers in Cambodia, trade facilities and customs regulations," he said.

#### **Government To Remove Taxes on New Companies**

*BK1602155994 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 16 Feb 94*

["Decision" issued by the Royal Government of Cambodia on 15 February]



[Text] Seeing the Kingdom of Cambodia's Constitution; Seeing His Majesty King Norodom Sihanouk's 1 November 1993 decree appointing the Royal Government of Cambodia [RGC];

Seeing the Council of Ministers' 18 September 1992 decision;

Seeing the 13 January 1994 communique of the co-ministers in charge of the Council of Ministers Office; and considering the Trade Ministry's proposal, the RGC has decided:

1. To eliminate the payment of \$3,000 in taxes on the creation of a company and of taxes on establishing foreign company representative offices in the Kingdom of Cambodia;
2. To declare null and void the Council of Ministers' 18 September 1992 decision and the 13 January 1994 communique of the co-ministers in charge of the Council of Ministers Office; and
3. To order the co-ministers in charge of the Council of Ministers Office, the minister of planning, the minister of trade, the minister of economy and finance, the general governor of the National Bank of Cambodia, and all relevant institutions to implement this decision effective from the day it is signed.

[Dated] Phnom Penh, 15 February 1994

[Signed] First Prime Minister Prince Krompreah Norodom Ranariddh; Second Prime Minister Samdech Hun Sen

#### Radio Quotes Sihanouk's Message About Return

BK1802070894 (Clandestine) Voice of the Great National Union Front of Cambodia in English  
0100 GMT 18 Feb 94

[Text] His Majesty the King points out that the situation in Cambodia is deteriorating in all fields and that he will come back in April. In his message dated 3 February 1994, His Majesty King Norodom Sihanouk pointed out the following:

1. Some have unjustly criticized the regime of Sangkum Reas Niyum, accusing it of being a dictatorial monarchy. But the truth is that during the time of Sangkum Reas Niyum, Cambodia had been developed in all fields. At present, some people praised about the so-called advanced democracy with multipartite system and respect for human rights. But as a matter of fact, Cambodia is crumbling in all fields.
2. The situation in Cambodia, as a whole, has been severely deteriorating. This has indeed let our people and our foreign friends to feel deeply hopeless. For that reason, in April this year, even though the Chinese doctors do not permit me to do so, I will go back to Cambodia in order to help in some fields.

3. In the face of such a deteriorating situation, a number of foreign friends are prepared to close their diplomatic missions or embassies in Phnom Penh.

#### Government Reports Capture of Khmer Rouge Base

BK1802092094 Hong Kong AFP in English 0841 GMT  
18 Feb 94

[Text] Phnom Penh, Feb 18 (AFP)—Government forces have captured another strategic Khmer Rouge base in northern Cambodia, government and military officials said Friday.

Co-Defence Minister Tea Chamrat said government troops captured the Khmer Rouge base at Anse, which straddles the Thai border in remote Preah Vihear province, Thursday. There were no immediate casualty figures.

Its capture comes after the government said it had full control over the radical faction's base at Anlong Veng some 80 kilometers (50 miles) to the west which it seized earlier this month.

Anlong Veng was the Khmer Rouge's headquarters for guerrilla operations in north and central Cambodia.

Tea Chamrat said the Khmer Rouge had now pulled back east to Krapeang Kul, an isolated area where the Cambodian, Lao and Thai borders meet.

The Khmer Rouge had been bringing rocket launchers and artillery pieces forward from Anse to pound government positions in Choam Khsan, some 25 kilometers (15 miles) south of the border.

Government officers said the Khmer Rouge were attacking Choam Khsan as a diversionary tactic to draw Cambodia's troops away from Anlong Veng.

Western aid officials said that some 3,000 villagers had fled to the Preah Vihear provincial capital, Tbeng Meanchey, to escape guerrilla artillery and rocket attacks.

But provincial Governor Mean Sarin said the villagers should now be able to return home.

"I am very optimistic that after capturing Anse all the displaced villagers can come back from Tbeng Meanchey to Choam Khsan and they will have no more fears," he said.

The guerrillas captured Anse last August in an attack which United Nations peacekeepers said was partially launched from Thai territory. UN personnel, stationed at the border at the time, were detained by guerrillas during the attack but were later released unharmed.

Mean Sarin said that government troops would now try to recapture the nearby historic hill-top temples of Preah Vihear.



The guerrillas seized the temples in a pre-dawn raid July 7 which government and military officials said was also launched from Thai territory.

"We have the ability and the means to capture the very famous temple back from the Khmer Rouge," he said.

Tea Chamrat said he did not know if the recent government victories would force the guerrilla faction to the negotiating table.

"We cannot guess whether they will come and talk. But if they don't want to talk, we can only stop them from disturbing us," he said.

**Trains Hit Mines; Khmer Rouge Said Responsible**  
*BK1702144294 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 17 Feb 94*

**["News Flash"]**

[Text] According to the Khmer Royal Armed Forces General Staff, a passenger train traveling from Phnom Penh to Pursat and Battambang Provinces was blown up at 1145 on 15 February by mines planted by the Khmer Rouge at kilometer marker 103, in an area between Krang Sna and Kdol stations in Toek Phos District, Kompong Chhnang Province. Four cars were derailed. The train convoy supervisor's left leg was severed, while three passengers were killed and eight others seriously wounded. The wounded were sent to the Pursat provincial hospital.

At 1300 on the same day, a locomotive was blown up by a Khmer Rouge mine at the Sereisaophoan railway station in Banteay Meanchey Province. Two train drivers and five passengers were seriously wounded in the explosion.

### **Indonesia**

**Suharto Meets With Singapore Foreign Minister**  
*BK1602162794 Singapore THE STRAITS TIMES in English 16 Feb 94 p 2*

**[By Salim Osman in Jakarta]**

[Text] Jakarta—President Suharto said yesterday he was pleased with the current state of bilateral relations with Singapore and suggested that both countries expand their cooperation in the field of tourism. Because of Singapore's strategic location and excellent facilities such as its international airport, he said, the Republic could serve as a distribution point for tourists going to Indonesia.

He made these points when he received Singapore Foreign Minister Prof S. Jayakumar, who called on him at the presidential office, Bina Graha, yesterday.

The Indonesian leader expressed keen interest in getting Singapore's contribution in promoting tourism.

Prof Jayakumar told THE STRAITS TIMES after the meeting that "we agreed that this was an area for further cooperation for the mutual benefit of both countries."

Singapore receives an average of six million visitors a year, compared to Indonesia's three million.

Mr Suharto also noted the progress made in the development of Bintan, Batam and Karimun in the Riau province, in which Singapore had a role under the Growth Triangle that includes Johor.

With such a development, he said, there would be more opportunities for Singapore investors to invest here.

Prof Jayakumar is in Jakarta for a two-day official visit at the invitation of his Indonesian counterpart Ali Alatas, with whom he had an hour of talks on Monday.

During his meeting with Mr Suharto, they also discussed the preparation for the Asia-Pacific Economic Cooperation (APEC) forum which Indonesia is hosting here in December.

"We noted that both Indonesia and Singapore shared common interests in the value of APEC and how it would be of benefit to ASEAN countries," he said.

Mr Suharto, who is currently chairman of the 110-member Non-Aligned Movement, took over the chairmanship of APEC after the heads of government gathering in Seattle last November.

APEC comprises the six members of ASEAN, the United States, Canada, Japan, Australia, New Zealand, South Korea, China, Taiwan, Hong Kong, Mexico and Papua New Guinea.

On bilateral relations, they noted that there were good personal ties between leaders and officials.

They agreed to look for ways to strengthen ties between the new crop of ministers and officials.

Prof Jayakumar, who is also the Law Minister, was accompanied by Singapore's Ambassador to Indonesia Edward Lee. He also called on his counterpart, Utoyo Usman, at his office yesterday.

Summing up his impressions of the visit before flying home yesterday afternoon, he said: "It has been a very good trip".

His visit is part of the traditional series of courtesy calls made by newly-appointed ASEAN foreign ministers on their counterparts.

Prof Jayakumar, who has already visited Kuala Lumpur and Bandar Seri Begawan, will be going to Bangkok and Manila as well.



**Foreign Minister Says East Timor Issue Settled**  
*BK1802092794 Jakarta Radio Republik Indonesia  
 Network in Indonesian 0700 GMT 18 Feb 94*

[Text] Answering a question from a member of Parliamentary Commission I on the East Timor issue, Foreign Minister Ali Alatas said that the issue is trivial. He believes it is settled and should not be brought up again. He also said that if Indonesia made offensive moves, as Portugal has done, it would create the impression that the East Timor problem was important when, in fact, the problem is a trivial one. He clarified that Indonesia has adopted a wait-and-see attitude and only issues statements as necessary.

Meanwhile, several offensive actions have been carried out against Indonesia with regard to its foreign policy and the East Timor problem, including the production of a book, criticisms against Indonesia, and the friendly [as heard] visit to Dili by a European Parliament delegation.

**Bank Scandal Involves Ex-Ministers, Suharto Son**  
*BK1802104794 Singapore BUSINESS TIMES in  
 English 15 Feb 94 p 1*

[By Maggie Ford in Jakarta]

[Text] A banking scandal has erupted in Indonesia, implicating former ministers and a son of President Suharto in allegations of the improper use of influence over state banks.

The scandal follows revelations in the Indonesian Parliament that Bapindo, the state-owned development bank had lent U.S.\$430 million to Eddy Tansil, a businessman who heads the Golden Key group of companies.

Legislator A.A. Baramuli, who belongs to the ruling Golkar [Functional Group] party, told MPs that the money had not been repaid and was now one of 49 cases of bad or doubtful debts amounting to billions of dollars owed to state banks.

The loan was apparently made to subsidiaries of Golden Key for the construction of petrochemical plants in the West Java city of Cilegon. Hutomo Mandala Putra (Tommy), a son of President Suharto, was chairman of one of the subsidiaries and his Humpuss Group a minor shareholder at the time the loan was made.

Last week, General Sudomo, former coordinating minister of politics and security and now chairman of the president's Supreme Advisory Council, said he had recommended that Bapindo lend money for the project but that neither he nor his family had any personal financial interest in it. Gen. Sudomo had earlier strongly criticised the MP who revealed the loan details claiming that he had violated bank secrecy laws.

A series of current ministers, including Finance Minister Mar'ie Muhammed, Governor of the Central Bank Sudrajat Jiwandono, and Bapindo executives have

appeared in parliament denying knowledge of the loan or refusing to answer questions about the matter.

Their reticence has led to parliamentary calls for revision of the bank secrecy laws.

J.B. Sumarlin, finance minister at the time the loan was granted in 1992 also denied that he had any personal interest in the project or that he had recommended it be granted when he was a commissioner of Bapindo.

Mr. Hutomo admitted he had pushed Bapindo to make the loan for the project but said that Humpuss had now sold its shareholding in the Golden Key subsidiary because it realised that the plant would cost double its planned budget.

Mr. Tansil has claimed that he is servicing the loan, but there appears little evidence that the money has been used to import equipment for the plant, the reason for the loan according to a letter of credit issued by Bapindo. Both Mr. Tansil and another Golden Key director have been banned from leaving Indonesia.

Foreign bankers say that the scandal points to the way influential people can ignore laws and regulations set up by the Central Bank and how state banks have been powerless to reject requests for loans from such people.

The loan to Mr. Tansil violated Bapindo's legal lending limit at the time and Mr. Tansil had been taken to court earlier for non-payment of loans to foreign banks.

"He is well known to Bank Indonesia," a foreign banker said, adding that normal credit risk evaluations were clearly not made.

The Golden Key case is not the first time that Mr. Hutomo has been involved in borrowing from state banks for failed projects. In 1991, he borrowed U.S. \$400 million from the central bank to establish a monopoly over the clove trade, which subsequently collapsed.

Last year, the government ended the practice of so-called "memo loans"—funds granted on the basis of a memo from an important individual—from state banks under a programme backed by the World Bank to recapitalise the major state banks.

## Lao

**MIA Searches To Continue Despite 'Slander'**

*BK1702142794 Vientiane PASASON in Lao 15 Feb 94  
 p 3*

[Commentary: "Do Not Conjure Up Ghosts From the Past"]

[Text] On 11 February 1994, PASASON published some information from reporters covering the implementation of Lao-U.S. cooperation on U.S. POW-MIA's. In fact, the information was not really a statement issued by the



Foreign Ministry. Our newspaper would like to apologize to its readers. Nevertheless, the information included a lot of details that are factual, clearly showing the good intentions and sincere cooperation rendered by the Lao side and the Lao authorities in implementing Lao-U.S. cooperation on Americans killed during the war in Laos. Because of the Lao side's wholehearted cooperation, the program has been carried out effectively so far. The remains of many MIA's have been recovered. While the search for more U.S. MIA remains was continuing, however, the Voice of America accused the Lao side of failing to cooperate. They even cooked up a story claiming that some live U.S. POW's were still in Laos. Why are they so suspicious and talkative?

As everyone well knows, since 1985 and 1986 Lao and U.S. technical teams have cooperated in carrying out excavation missions at crash sites of U.S. planes shot down by the Lao People's Army and our people throughout Laos. By September 1993, the two sides had conducted 35 excavations in 11 provinces throughout the country and had retrieved the remains of 51 U.S. MIA's. According to the authorities concerned, Lao-U.S. cooperation in searching for U.S. POW-MIA's in Laos can be divided into four areas. The first is doing surveys and excavations of crash sites. Second is carrying out interrogations and searching for U.S. POW's that the U.S. side believes are still alive. Third is conducting interviews with prominent persons. Fourth is examining documents and movies related to the war. The Lao side has given its full cooperation to its U.S. counterparts in all these areas. We even comply with any additional requests by the U.S. This is because we are sincere. We think it is better to forget about past animosities and move on with rebuilding and developing our friendship. This is an act of goodwill on the part of the Lao side as well as a highly-esteemed humanitarian gesture by the multiethnic Lao people. We, the Lao people—like the American people—are able to differentiate between history, current reality, and the future. The Lao and American peoples should step up our cooperation in all fields in order to build our respective countries and make them prosperous. We should not talk and quarrel with one another about the past; it is not good for either of us. Of course our cooperation in the search for U.S. MIA's in Laos will continue. But it is ridiculous to conjure up the ghosts of the past in order to slander each other.

#### **Writer Criticizes Radio Free Asia Plan**

*BK1802081294 Vientiane PASASON in Lao 9 Feb 94 p 5*

["Talk" by Singhasai: "Is There Anything Else Behind the Plan To Set Up Radio Free Asia?"]

[Text] International public opinion has appreciated the United States' lifting the trade embargo against Vietnam which lasted 30 years. Everyone has praised the decision of President Clinton as it is considered appropriate, conforming to the common trend of the final decade of the 20th century, the era regarded by various industrialized countries, including the United States, as one of

achieving cooperation and mutual understanding in all fields. In light of this, why has the U.S. Senate recently approved the establishment of Radio Free Asia again with the intention of beaming news broadcasts to China, Myanmar [Burma], Tibet, the DPRK, Cambodia, Vietnam, and the Lao People's Democratic Republic? It has said with a straight face that the residents of these countries have not had full freedom to express their views. It has also noted that Radio Free Asia will serve as a tool to gather views in different fields from the people of those countries. This may not be the true purpose of Radio Free Asia. There must be others.

It is difficult to answer this question. The questioner himself has not mentioned a correct answer. Nevertheless, radio experts are of the view that the new Radio Free Asia broadcasts will create interference on frequencies used by broadcasters in various countries in this region. Radio Free Asia has also reprimanded various nations in the region by saying that they have not maintained full rights and freedom of people to express their views.

The Lao people, like the peoples of other Indochinese countries, China, Myanmar, Tibet, and the DPRK, already enjoy full rights and freedom of expression. They can freely speak on whatever they want without needing Radio Free Asia. They have also exercised the rights to effectively safeguard their sovereignty and territorial integrity by opposing outside intervention and aggression under various forms.

Economically, the United States has announced the end of the trade embargo against Vietnam. It has done a precious thing. Why has it now announced the establishment of Radio Free Asia? Spiritually, this contradicts the economic interest of the peoples in the region.

BBC radio, in its broadcast of 29 January, expressed the view that the United States wants to set up Radio Free Asia because of its experience with its Radio Free Europe and Radio Liberty contributing to the collapse of communism in Europe four to five years ago. If the BBC is correct, the new Radio Free Asia will not be characterized at all by creativity. Its purpose also runs counter to the earnest aspirations of the nations in this region, which want to create mutual understanding and promote and expand cooperation in various fields with all countries in the world, including the United States.

Generally, no matter what is behind the establishment of Radio Free Asia, if the owner of a radio station fails to understand the essential requirements, the true purpose of the establishment of the station will certainly be clear to the world in the future. The peoples in the region—the targets of the broadcasts—will even enhance their spirit of self-mastery and the spirit of being the owners of their countries, strengthening their cooperation in various fields to check all acts of outside intervention regardless of the form.



**Pact on Road Construction Signed With PRC***BK1802104994 Vientiane KPL in English 0922 GMT  
18 Feb 94*

[Text] Vientiane, February 18 (KPL)—A delegation of the northern province of Phongsaly, during its visit to Xu Mao's Jiancheng District of Chinese Yunnan Province, recently signed with the Chinese district delegation an agreement on mutual cooperation and assistance in various construction projects.

According to the agreement, the sides have approved of a road construction project starting from the border post No. 7 in Gnot Ou District to Boun Neua District of the northern province. The Chinese side will undertake the project construction.

At the same time, the sides will cooperate in national resources exploitation and in raising the rice yield for 13 villages in the district of Gnot Ou.

**Philippines****Official Hails DPRK Nuclear Inspection Move***BK1702063294 Quezon City Radio Filipinas in English  
0230 GMT 17 Feb 94*

[Text] The Philippines welcomes North Korea's decision to finally agree to open its nuclear facilities to international inspection after a year long standoff. Foreign Affairs Secretary Roberto Romulo said that North Korea's decision will considerably diffuse tension in the Korean peninsula and ease the concerns of the countries in the region. Romulo said North Korea's move may have nipped U.S.-led efforts to push for sanctions against the communist state; this is, if it continues to refuse inspections of its nuclear facilities by the International Atomic Energy Agency.

**NPA Threatens To Bomb Visayan Utilities***BK1702035194 Manila MANILA BULLETIN in  
English 15 Feb 94 p b-14*

[Text] Cebu City—The New People's Army (NPA) has threatened to bomb vital government and public utility installations in the Visayas if government decides to reimpose the 28 January oil price increases it temporarily rolled back on 7 February. A message from the PNP [Philippine National Police] headquarters in Camp Crame to the regional PNP command said the rebels plan to bomb the installations in Cebu, Bacolod, Dumaguete and Iloilo.

The message said that among the installations targeted in Cebu are oil depots, power plants of the National Power Corp., the regional offices of the Central Bank, the Mactan Cebu International Airport and military facilities. The message said the plan was hatched by Filemon Lagman, Communist Party of the Philippines (CPP) secretary-general, at a conference of the CPP's Visayas Commission last 1 February.

It was not clear why the rebels aired the threat at a supposed meeting on 1 February when the roll back had yet to come until a week later.

Cebu Metrodiscom [metro district command] director Senior Superintendent Jose Ayap said he has already placed all police units under him under alert.

**NEDA Approves 16.5 Billion-Peso Power Projects***BK1802055094 Manila MANILA BULLETIN in  
English 16 Feb 94 p b-1*

[Text] The National Economic and Development Authority (NEDA) yesterday approved P16.5 billion [Philippine pesos] worth of new power projects even as it gave assurance that brownouts will no longer not happen this year. [sentence as published] These projects, the NEDA said in a statement, are intended to stabilize the long term energy supply of the country. Among those approved are the Northern Negros and Mount Labo Geothermal Power Projects whose combined costs total P10 billion.

Socioeconomic Planning Secretary and NEDA director-general Cielito F. Habito said these projects involve the development of geothermal steam fields and the construction of baseload power plants in Mambucal, Northern Negros, and in Mount Labo, Camarines Sur. The baseload power plant in Mambucal will have a capacity of 40 megawatts (MW) while the one in Mount Labo will generate 120 MW of power. Habito said these projects will augment the power supply in the Luzon and Visayas grids.

The second power project approved is the Northwestern Luzon Extra High Voltage Transmission Line Project which will cost around P5 billion. It involves the installation of 500-kilovolt (KV) transmission lines from Labrador to San Manuel, and from San Manuel to San Jose. The line from Labrador to San Manuel will be 60 kilometers long while the one from San Manuel to San Jose will be 145 kilometers long.

The third project is the Masinloc-Labrador Transmission Line Project. It involves the installation of a 65 kilometer (km), 230 kilovolt (kv) steel tower double circuit line from the 600 MW Masinloc Coal Fired Power Plant to Labrador, Pangasinan. It will also expand the Labrador substation. Total cost of this project is estimated at P697 million.

The fourth project is the Cluster A Substation Expansion Project which involves the provision of additional power facilities and accessories in the following substations: Laoag, Damarinas, and San Manuel. It will cost P365 million. Habito said the project is expected to accommodate future increases in power demand, provide adequate reactive power support to avoid system collapse, and improve voltage regulation.

A similar project is the Cluster B Substation Expansion Project which the NEDA board also approved. The



substations to be expanded are the following: La Trinidad Substation; Concepcion Substation; Daemarinas Substation; and San Manuel Substation. With an estimated cost of P345 million, the project aims to complement generating capacity additions programmed for the Luzon grid.

The last project approved was the Permanent Bypass Damper and Stack System Project for the Bataan Combined-Cycle Power Plants. It will cost P395 million and will be implemented within eight months.

The other projects are the Environmental Equipment for National Power Corporation (Napocor) Power Plants Project and the conduct of Detailed Engineering for the Kanan Hydroelectric power plant. The two will have a combined cost of P274 million. Detailed engineering for the Kanan Hydroelectric Power Plant will involve the review and updating of the feasibility study of the Kanan B1 Hydroelectric Power. It will also carry out the detailed design of structures and facilitate technology transfer for Napocor engineers. This project will cost P145 million.

#### **1993 Trade Balance Deficit, Imports Noted**

*BK1802113194 Quezon City MALAYA in English*  
*17 Feb 94 p 9*

[Text] The country's balance of trade deficit widened to \$6.36 billion last year, up by 35 percent from the previous year due to the faster growth in imports. Total imports reached \$17.63 billion, up by 21 percent, while exports rose by only 15 percent at \$11.269 billion.

The Philippine Airline's purchase of two airplanes (\$281 million) helped increase by 26 percent the country's import bill of \$1.66 billion for last December.

Total export receipts for the month of December stood at \$1 billion.

Electronic imports reached \$220.15 million, up by 1.3 percent from the previous month.

Despite a decrease of 6 percent from the previous month's level of \$181.40 million, import expenditures on power generators for December remained substantial at \$170.45 million due to the continuing development of energy infrastructure.

Payments for mineral fuels, lubricants and related materials amounting to \$154.20 million grew by only 2.6 percent from the November figures of \$150.34 million. Compared to the year-ago level, however, a decline of 28 percent was posted.

Importation of telecommunication equipment and electrical machines was valued at \$97.76 million. Import payments on these commodities, however, represented a decrease of 9.5 percent from the \$108.03 million

recorded during the previous month. Aggregate payments for these principal imports reached \$923.49 million, or 55.5 percent of the country's total imports for the month.

United States and Japan continued to be the biggest suppliers of Philippine imports. Imports from these two countries reached \$448.45 and \$353.27 million respectively, accounting for a combined 48.2 percent of the total Philippine imports for the month.

### **Thailand**

#### **Leaders Continue Defense of Li Teng-hui Visit**

##### **Chuan Criticizes PRC on Reaction**

*BK1802022994 Bangkok THE NATION in English*  
*18 Feb 94 p A1*

[Excerpts] Prime Minister Chuan Likphai yesterday hit back at China for having rapped Bangkok over a private visit by Taiwanese President Li Teng-hui, saying the president was not a persona non grata and had every right to enter Thailand. "Everybody who is not persona non grata has the right to enter Thailand, just as the Dalai Lama has done," Chuan said in his strongest statement yet on the Taiwanese president's visit. [passage omitted]

The prime minister said there was no agreement between Thailand and China to bar an unofficial visit by a Taiwanese president.

Chuan said that although Thailand holds a one-China policy and has no diplomatic ties with Taiwan, Bangkok has the right to negotiate with the island state over trade, economic and labour issues. "As I have said, Thailand has a one-China policy. But if any people like to travel to Thailand on the invitation of the private sector, he or she can do so. Thailand and Taiwan have trade ties, and Taiwanese businessmen are the third largest investors here, second to Japan and the United States. We give priority to economic ties with both Taiwan and China. Taiwan has more investment in Thailand than China does," Chuan said.

The prime minister said Li did not come to Thailand to discuss diplomatic or political ties, and had not met him or Foreign Minister Prasong Sunsi. [passage omitted] Chuan said leaders of the two other Asean countries had provided reception to Li, but the Thai prime minister had not. "So, (China) should understand how we treat the China policy," Chuan said.

Prasong said yesterday that Li's unofficial trip to Thailand was just a "private" visit and the Chinese Ambassador in Bangkok would be invited for talks to clear up any misunderstanding. "The president's visit was very much a personal affair. The Thai government still holds a one-China policy," Prasong insisted. If China still did not understand the point, he was ready to explain it



personally to the Chinese Ambassador. Prasong reiterated that Thailand did not intend to change its China policy.

He denied that the meeting between Deputy Prime minister and Li Teng-hui was official, adding that the two did not discuss politics or economics. "Amnuai went to see President Li in a personal capacity, not as deputy prime minister," Prasong said. [passage omitted]

Asked whether the visit would jeopardize progress in the Economic Quadrangle—a multi-lateral development between China, Thailand, Laos, and Burma—as charged by the opposition Prasong said the two subjects could not be linked. "It means the opposition doesn't know any thing about the Economic Quadrangle," he said, without elaborating. [passage omitted]

The House Speaker, Marut Bunnak denied he had discussed politics during a luncheon he hosted for the president at the Central Plaza Hotel on Wednesday. "I have been in Taiwan and was warmly welcomed. So I just wanted to show my hospitality in return. This is just Thai tradition," Marut said.

#### **Prasong Confident on PRC Ties**

*BK1802045694 Bangkok BANGKOK POST in English 18 Feb 94 p 1*

[Excerpts] Foreign Minister Prasong Sunsi said he would meet his Chinese counterpart Qian Qichen on February 27 and expressed confidence that relations with Beijing would not be affected by the recent visit to Thailand of Taiwan's president.

Sqn Ldr Prasong said he would meet Mr Qian during the Chinese foreign minister's stopover in Bangkok and, if need be use the opportunity to clarify any problems. [passage omitted] Earlier in the day, Sqn Ldr Prasong said he had instructed Permanent Secretary for Foreign Affairs Pracha Khunakasem to clarify the country's stance with the Chinese embassy, and the Government itself was ready to confirm the policy. "The visit of Taiwanese President is like that of the Dalai Lama during which China also protested to the Thai Government," said Sqn Ldr Prasong. [passage omitted]

Foreign Minister Prasong reiterated that Thailand's one-China policy did not bar Thai people and businesses from making contact with the Taiwanese regarding commerce and trade affairs or at a personal level. The minister noted that there was no official welcoming ceremony for the Taiwanese president when he arrived in Bangkok on Wednesday. He also said Dr Amnuai did not receive Mr Li in the capacity of a senior official.

He said people who went to meetings with the Taiwanese president were not from the Cabinet, which belongs the executive branch, but from the Parliament which is regarded as the legislative branch.

Sqn Ldr Prasong said he was happy to clarify the matter with the House Foreign Affairs Committee at their

invitation about his involvement in the matter if he was available during that time. If not, he would instruct the permanent secretary to go instead. [passage omitted]

#### **Marut Bunnak Hosts Luncheon for Li**

*BK1802080994 Bangkok XING XIAN RIBAO in Chinese 17 Feb 94 p 12*

[Report by Liu Zhenyan]

[Text] Parliament President Marut Bunnak held a luncheon for Taiwan President Li Teng-hui at the Central Plaza Hotel yesterday. During the luncheon, Li Teng-hui praised Thailand's high economic growth. He said that Thailand is admired for being able to maintain this despite the stagnation of the global economy. Li Teng-hui said that both Taiwan and Thailand advocate democracy and freedom. He expressed hope that Taiwan and Thailand will enhance cooperation in economy, trade, investment, industrial technology, finance, and training on the basis of mutual benefit.

Marut led a Thai parliamentary delegation to visit Taiwan in the middle of January. Others accompanying Marut at the luncheon included Chawarin Latthasak-siri—Cai Junrong—Chat Thai Party MP for Rat Buri Province who has visited Taiwan several times; Charoen Khantawong, Democrat Party MP for Bangkok; Parliament Secretary Phasit Phiphatthanakun; and Zheng Yousu [Thai name: Suthikiat Chirathawat] of the Central Plaza Hotel.

#### **PRC's Qian Said To Plan Visit**

*BK1802122294 Bangkok Voice of Free Asia in Thai 1030 GMT 18 Feb 94*

[Excerpt] According to a Foreign Ministry source, PRC Foreign Minister Qian Qichen is scheduled to stop in Bangkok on 27 February en route to South Asia and the Middle East, which he will visit between 21 February and 6 March. While in Bangkok, the PRC foreign minister will meet with Thai Foreign Minister Squadron Leader Prasong Sunsi. It is expected that the two foreign ministers will discuss bilateral relations and the recent private visit to Thailand by Taiwan's president. [passage omitted]

#### **Singapore-Prasong Talks on Burma Consensus**

*BK1802071594 Bangkok BANGKOK POST in English 18 Feb 94 p 6*

[Excerpts] The approval of all member states would be needed for ASEAN to invite Burma to attend as a guest at the group's annual conference of foreign ministers, Singapore Foreign Minister S. Jayakumar said yesterday. Singapore would have no objections if the Association of Southeast Asian Nations was to reach a consensus on the matter, he said. [passage omitted]

Mr Jayakumar described as "not finalised" Singapore Prime Minister Goh Chok Tong's plan to visit Rangoon.



Mr Jayakumar's comments came after a U.S. congressman said he believed it would be "premature" for ASEAN to invite Burma if there were no talks between now and July between Burma's opposition leader Aung San Suu Kyi and the military junta's key member Lt Gen Khin Nyunt. Bill Richardson (Democrat-New Mexico) was replying to a reporter's question during a press conference on Wednesday after he became the first non-family member to be allowed to meet Suu Kyi in Rangoon. By July, the charismatic Burmese leader also will have been under house arrest for five years, normally the limit allowed by Burmese law.

Foreign Minister Sqn Ldr Prasong Sunsiri earlier spoke of the possibility of Thailand, as this year's chairman of ASEAN, inviting Burma to the meeting of the group's foreign ministers. He raised the possibility after the last ASEAN foreign ministers' meeting in Singapore. Sqn Ldr Prasong yesterday described the meeting between the U.S. congressman and Suu Kyi as an indication of improvements in Burma. But he said it would be "Burma's affair" whether or not the ruling State Law and Order Restoration Council kept Suu Kyi under house arrest until at least next year.

The Thai foreign ministry wanted to see better conditions in Burma before moving to invite Rangoon to attend the ASEAN meeting. The release of Suu Kyi was among a number of improvements sought. But Thai foreign ministry officials expressed confidence that there was still time for ASEAN to decide on the matter. Senior officials of ASEAN would not rush into the decision but closely monitor the situation in that country, a foreign ministry source said.

One senior foreign ministry source described the U.S. congressman's remark on the question as an attempt by a U.S. politician to dictate to other countries in international politics.

Meanwhile, the Singaporean foreign minister said he would like to see Thailand and Singapore work closely for "ASEAN interests" in the Asia-Pacific Economic Cooperation (APEC) group. Mr Jayakumar said there were no controversial issues between Thailand and Singapore.

### **Chuan Reviews Trade Goals at Bank Opening**

*BK1802072394 Bangkok BANGKOK POST in English  
18 Feb 94 p 21*

[Excerpts] An effective financial system for the export sector is one of key measures to increase the competitiveness of Thai products, and that is why the Government established the Export-Import Bank of Thailand, Prime Minister Chuan Likhai said yesterday.

In a speech marking the Exim Bank's official opening, Mr Chuan said the bank would provide financial services to the export sector, particularly those services not yet offered by other financial institutions. These could

include medium- and long-term financing for some specific export products, export insurance and guarantees. New and small exporters in particular stand to benefit from the expanded services and additional sources of working capital.

The Premier said the insurance service would increase exporters' confidence in expanding their markets. [passage omitted]

The Government believes that on any issues Thailand's trading partners consider unfair, Thailand must listen and address them appropriately, the Premier said.

"But we will not give in to unreasonable demands from any particular countries. Therefore any concessions we make will be in agreement with the General Agreement on Tariffs and Trade."

By following this line, Thailand has left the Priority Foreign Country list and is now on a Priority Watch List. Under the latter, Washington cannot retaliate promptly; the worst it could do is return Thailand to PPC status, Mr Chuan said.

Commenting on the Uruguay Round of GATT negotiations, he said the Government realises the importance of international trade regulations and the need for a central agency. Such an agency, he said, can be a haven for small countries such as Thailand in international trade negotiations. "Now that the GATT negotiation is complete the Government is determined to follow the GATT agreement closely. We will strictly abide by the rules and demand the same thing from other countries." [passage omitted] "Although we try to avoid any adverse consequences, sometimes we have to make sacrifices on some issues or else our trading partners can use it as an excuse to make trade retaliations which will cost us more." [passage omitted]

Prime Minister Chuan recalled that when he attended the Asia Pacific Economic Cooperation group summit in Seattle last November, last year, he was determined to show the world that Thailand believed in the spirit of economic cooperation among Asia-Pacific countries on technology transfer, personnel development and investment in the region. The Government is also firmly committed to the success of AFTA the ASEAN Free Trade Area, he said.

"We will not only pursue the policy of the preceding governments but will speed up the procedures so that AFTA can accomplish its objectives sooner. Moreover we will increase the number of products listed in AFTA cooperation, which we believe other member countries will agree with." [passage omitted]

### **Official Reports U.S. Taxation Talks Failure**

*BK1802080594 Bangkok KRUNGTHET THURAKIT in Thai  
18 Feb 94 p 6*

[Text] The negotiations between Thailand and the United States on double taxation failed to reach agreement. The U.S. wanted an agreement that was spelled



out clearly, while the Thai side conducted the negotiations flexibly. The Thai side will review its position in the new round of talks scheduled for mid-October.

Finance Minister Tharin Nimmanhemin said he received a report from the Revenue Department's M.R. Chatumongkon Sonakun, who negotiated on a double taxation protocol in the United States 7-11 February. According to Chatumongkon, negotiations did not achieve desired results. He attributed this to the U.S. side wanting the Thai side to base the negotiations on legal references or clear terms because it had to submit the finished protocol—a legal document—for congressional consideration. Vagueness could result in rejection by the congress.

Chatumongkon said the Thai side engaged in negotiations ready to compromise in certain areas, and it did indeed compromise on several points. However, the United States insisted that the Thai side produce a legal document spelling out every point, including permanent business establishment, business, and investment taxes. The negotiations failed as a result.

Chatumongkon said the Thai side will have to review the double taxation protocol in two areas. First, Thailand will have to draft a clear protocol for a new round of talks in mid-October. Second, Thailand has to assess whether the United States really wants to conclude a protocol. This is because the failure of previous negotiations was largely caused by the United States wanting Thailand to alter numerous points or shifting its positions constantly.

#### More Insurance Companies To Be Allowed

*BK1602073094 Bangkok Radio Thailand Network in Thai 0000 GMT 16 Feb 94*

[Text] The committee in charge of the study of the supportive measures for insurance liberalization agreed that the foreign shares limit in Thai insurance firms be raised, and the number of insurance companies in the country should be increased.

Sanit Worapanya, deputy permanent secretary of Commerce Ministry, disclosed that the increase in the foreign shareholding limit required amendment of the law to allow this to be raised to 49 percent while the ministerial regulation must be issued to fix the annual increase rate of the shareholding. He said it is time to increase the number of insurance firms in the country to pave the way for a major readjustment in line with the new GATT agreement which is to become effective soon. He said:

[Begin Sanit recording] The committee agreed during the meeting that the law has to be amended to limit foreign shares to 49 percent. Meanwhile, a ministerial regulation is needed to fix the annual increase rate of the foreign share limit. For example, the law will state that the limit during the first five years is fixed at not more than 40 percent, and the limit will be further expanded after that. Take this year for example, the foreign shareholding limit will remain at 40 percent until 1999 and be raised

to 49 percent in 2002. The annual increase will be stipulated in the ministerial regulation. All members agreed that Thailand can no longer close its insurance market, and therefore, it must allow more insurance companies to operate in Thailand. The secretary of the committee has been assigned to consult with the private sector, mass media, and the 20 representatives of consumers we invited to attend this meeting to figure out the exact number of companies to be allowed to do business. [end recording]

#### Arms Trade Shows Government-Military Tension

*BK1802061994 Bangkok THE NATION in English 18 Feb 94 p A 3*

[Report by Wassana Nanuam]

[Excerpts] The Cabinet insistence on Tuesday that the Air Force must purchase transportation planes only through the barter trade system is the first clear sign that cracks are beginning to appear in the relationship between the government and the military. [passage omitted]

Observers said the Cabinet move was seen as an attempt to prevent top brass, who traditionally ink the deals, from receiving kickbacks worth millions of baht or much more.

Chuan was less than totally clear about what he had in mind. But apparently aware of dissatisfaction among the top brass, he said the barter system would be employed on a case-by-case basis. "It is not mandatory," the prime minister insisted. But Chuan has seemed to be trying to distance himself from his vague "case-by-case" purchase policy. The issue became more ambiguous when he said the food-for-arms plan was not his own idea but that of former Navy Chief Adm Wichet Karunyawanit. [passage omitted]

Tension escalated after the Cabinet insisted that the Air Force's plan to buy six G222 transport planes from Italy, a Bt3.42 billion purchase, would not fall in the "not mandatory" category as defined by Chuan. "The Defence Ministry must cooperate with the agriculture, the foreign and the commerce ministries to persuade Italy to buy Thai goods in return," stated a Cabinet resolution.

The Air Force is determined to get the new aircraft, saying its present fleet of C123 transporters has been in commission for more than 30 years. "They (old model planes) should be decommissioned," an Air Force official, who asked not to be identified, said.

He said an Italian firm has already agreed to waive about Bt41 million in training fees in order to help Thailand close the deal. "I really don't see a way-out at the moment. I can't see how Italy could possibly agree with our proposal in its present form. I mean, what kind of agricultural produce do the Italians need from Thailand," the source said. He said he did not understand



why the government had made the decision despite observations from officers that it would be difficult to negotiate a deal. "How can we, the military, negotiate the deal? It's impossible. We can't do it. Our only hope resides with the Commerce Ministry. But I really don't see the Italians giving it the nod," he commented. He also questioned the motives behind the resolution.

Commander of the Air Force Siriphong Thongyai reacted calmly towards the decision by saying "it is natural if there are other conditions to think about it (before buying the planes)."

#### **Cooperation Commission Formed With Uzbekistan**

*BK1602150594 Bangkok Voice of Free Asia in Thai  
1030 GMT 16 Feb 94*

[Text] With a common desire to strengthen good bilateral relations and create a mechanism to develop cooperation for mutual benefit, Thailand and the Republic of Uzbekistan have been negotiating to establish a joint commission to promote bilateral cooperation. On 8 February the cabinet assigned the foreign minister to sign the agreement on the formation of the joint commission with the Republic of Uzbekistan during the official visit of a high-level delegation from Uzbekistan from 15 to 17 February. The delegation is the first ministerial-level team from Uzbekistan to visit Thailand since that country gained its independence and seceded from the former Soviet Union in late 1991. Uzbekistan has shown its intention of having the agreement signed during the visit.

Therefore, the foreign ministry organized a signing ceremony on 16 February. Foreign Minister Squadron Leader Prasong Sunsi and the first deputy minister of the Uzbek Ministry of Foreign Relations signed the agreement on behalf of their respective governments. Uzbekistan is a new country in Central Asia with political stability and high economic potential. The joint commission is a mechanism to promote bilateral cooperation on economic issues, investment, and other issues in the interests of both countries.

#### **Vietnam**

#### **Foreign Minister's Cambodia Visit Reported**

##### **Meets With Sirivut**

*BK1602161294 Hanoi VNA in English 1436 GMT  
16 Feb 94*

[Text] Hanoi VNA Feb. 16—Foreign Minister Nguyen Manh Cam arrived in Phnom Penh this morning, starting his 3-day official visit to Cambodia. Shortly after his arrival, Mr Nguyen Manh Cam held talks with Prince Norodom Sirivut, deputy prime minister and minister for foreign affairs and international cooperation of the Kingdom of Cambodia.

Present at the talks were, on the Vietnamese side, Ambassador to Cambodia Tran Huy Chuong and other senior officials of the Foreign Ministry on the Cambodia side, senior officials of the Ministry for Foreign Affairs and International Cooperation, Ministry of Defence, Ministry of Interior and others. Mr. N. Sirivut hailed the Vietnamese foreign minister's visit to Cambodia as an important contribution to the consolidation and development of the traditional friendship and neighbourly cooperation between Vietnam and Cambodia. The two sides informed each other of the situation in each country, discussed orientations and measures aimed at consolidating and promoting the multi-faceted cooperation, building the neighbourly and durable ties between the two countries in the interest of each people, for peace, stability, cooperation and development in South-east Asia. Both sides discussed preparations for Vietnamese Prime Minister Vo Van Kiet's forthcoming official visit to Cambodia. They also touched on the regional and international issues of common concern. Minister Nguyen Manh Cam highly appreciated head of state Norodom Sihanouk's important role in the cause of peace and national reconciliation in Cambodia and expressed his hope that Cambodia will have stability to build a country of peace, independence, neutrality and non-alignment having friendly relations with other countries, firstly neighbouring countries. He once again affirmed Vietnam's determination to build and broaden the friendly and multi-faceted cooperation between the two countries on the principles stated in the joint communiques in January 1992 and in August 1993.

Mr. Sirivut hailed the great achievements recorded by the Vietnamese people in their renovation cause and in the implementation of the external policy of broadening and diversifying relations and highly appreciated Vietnam's good will and positive attitude toward the process of peace in Cambodia. He also expressed the determination of the Cambodian Government and people to foster the friendship and long-term cooperation between the two countries. He stated that the coming visit to the Kingdom of Cambodia by Prime Minister Vo Van Kiet will be an important event ushering in a new stage in the neighbourly relations between Vietnam and Cambodia. The talks took place in an atmosphere of friendship, sincerity, mutual understanding and reached positive results.

#### **Commentary Views Cambodia Ties**

*BK1702123094 Hanoi Voice of Vietnam in English  
1000 GMT 17 Feb 94*

[Station commentary]

[Text] Vietnamese Foreign Minister Nguyen Manh Cam is now on an official visit to the Kingdom of Cambodia. This is the first official visit to Cambodia since the setting up of the constitutional monarchy government in that country in September last year.



Vietnam always attaches great importance to friendship and good neighborliness with Cambodia. Immediately upon setting up the new government, Cambodia affirmed its continued strengthening of relations with Vietnam. In such a situation, this visit by Foreign Minister Nguyen Manh Cam is an important contribution to consolidating and strengthening mutual relations. The results of the talks between Vietnamese Foreign Minister Nguyen Manh Cam and his Cambodian counterpart signal good news in bilateral relations. They both discussed preparations for the coming official visit to the Kingdom of Cambodia by Vietnamese Prime Minister Vo Van Kiet. Cambodian Deputy Premier and Foreign Minister Prince Sirivut remarked: These events will open up a new stage in relations between Vietnam and Cambodia.

Cambodia remains faced with many difficulties due to the lack of goodwill of the Khmer Rouge, but developments in Cambodia tend to be positive. This is due to the important and great role played by King Norodom Sihanouk in the process of peace and national reconciliation in Cambodia.

In the implementation of its open-door and diversified foreign policy, Vietnam is determined to establish and broaden multifaceted relations with Cambodia. This Cambodia visit by the Vietnamese foreign minister and the coming visit by the Vietnamese head of government will be a vivid expression of Vietnam's stance.

#### VNA Reports Departure

*BK1802141394 Hanoi VNA in English 1359 GMT  
18 Feb 94*

[Text] Hanoi VNA Feb. 18—Foreign Minister Nguyen Manh Cam left Phnom Penh this morning, ending his 3-day official visit to the Kingdom of Cambodia.

While there, Minister Nguyen Manh Cam was received by Acting Head of State Samdech Chea Sim, First Prime Minister Prince Norodom Ranariddh, and Second Prime Minister Hun Sen. Mr. Cam held talks with Prince Norodom Sirivut, deputy prime minister and minister for foreign affairs and international cooperation of the Kingdom of Cambodia.

During the talk, Mr. Cam and Mr. Sirivut signed a memorandum of understanding on cooperation between the two Ministries for Foreign Affairs.

This morning Foreign Minister Cam held a press conference on the result of his visit to the Kingdom of Cambodia.

#### Vice President, Delegation Depart on African Tour

*BK1802143694 Hanoi VNA in English 1359 GMT  
18 Feb 94*

[Text] Hanoi VNA Feb. 18—Vice President Nguyen Thi Binh left here today for official visits to the Democratic

and Popular Republic of Algeria, the Republic of Mali, the Republic of Guinea, the Republic of Senegal and the Republic of Guinea Bissau.

Mrs. Nguyen Thi Binh was accompanied by Minister of Public Health Nguyen Trong Nhan, Vice Foreign Minister Nguyen Di Nien, Vice Commerce Minister Mai Van Dau and Vice Minister of Agriculture and Food Industry Nguyen Thien Luan.

#### Vietnam-Cuba Amity Association Plans Activities

*BK1602154594 Hanoi VNA in English 1436 GMT  
16 Feb 94*

[Text] Hanoi VNA Feb. 16—The Executive Committee of the Vietnam-Cuba Friendship Association held here recently an enlarged meeting to discuss the association's work in the coming time. The meeting, chaired by its president—Minister Tran Thi Thanh Thanh, discussed and passed the association's programme of action for 1994 aimed at enhancing the solidarity and friendship with the Cuban people, and strengthening the association's apparatus from the centre to the grassroots to actively support the justice cause of the fraternal Cuba.

The meeting also discussed preparatory works for "an international meeting for solidarity with Cuba" to be held in Havana in November this year.

#### Former Minister's Corruption Trial Continues

*BK1802121694 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Feb 94*

[Text] The Criminal Court of the People's Supreme Court entered its second day of work today. The case in this trial, which is preliminary as well as final, involves roundabout dealings with 4,000 tons of steel designed for the construction of the north-south 500-kilovolt powerline. These dealings caused losses of 3.1 billion dong to the state budget. Mr. Mai Ngoc Chinh, chief judge of the Criminal Court of the Supreme People's Court, presided over the court session.

Today, the defendants—including Doan Trung Thanh, Doan Thi Huu Nghi, Vu Ngoc Hai [former energy minister], Le Lien, Pham Dao Khanh, Dinh Ngoc Lac, Nguyen Dinh Lam, Nguyen Duc Ai, and Nguyen Trong Sang—continued giving testimony in response to examination by lawyers and a juridical council. Many witnesses also testified before the juridical council in a bid to shed more light on the details of the case as well as the magnitude of the offense committed by the defendants. The court will continue its session tomorrow.

#### New 50 Percent Import Taxes for Consumer Goods

*BK1702132994 Hanoi Voice of Vietnam in English  
1000 GMT 17 Feb 94*

[Text] New 50 percent import taxes on a number of consumer goods are to be introduced in Vietnam from



mid-February. The items include motorcycles, sidecars, tires and inner tubes for choice vehicles, home video recorders, and petrol; but taxes have been lifted on some imports, including carburetors, weaving machinery, knitting machines, and video recorders for professional use to encourage home production. A number of other imports including clothes and fuel now enjoy lower tax rates of 10 percent downward.

**60,000 Returnees Repatriated Under EC Program**  
*BK1702125994 Hanoi Voice of Vietnam in English*  
*1000 GMT 17 Feb 94*

[Text] Nearly 60,000 Vietnamese returnees have been repatriated to Vietnam under the International Program for Integration by the end of last month. The program sponsored by the EC has been operating in 21 provinces and cities throughout Vietnam.



